

FINANCIALTIMES

EUROPE'S BUSINESS NEWSPAPER

Monday February 14 1983

D 8523 B

NEWS SUMMARY

BUSINESS

France's

by 1.5%

volume terms, of imports during the

creased pressure last week. The

Belgian and French francs required

. = ______

es- Grid

EMS February 11,1983

support from several central banks

due mainly to a firmer trend in the

The strength of the German unit

was due to increased hopes of a con-

• POLAND'S national income in

1982 was 8 per cent down on 1981's.

• SWEDEN is the subject of to-day's special Statistical Trends an-

● EEC will this week start talks on

its policy for the coming round of international negotiations on ex-

port credit rates and conditions.
Page 4

● PORTUGAL is planning a nuclear energy programme by mid-1984.

• LLOYD'S, the London insurance

investment in Swiss-based Cas

• FOKKER, the Dutch aerospace

company, is spending about F1 700m (\$260m) on developing new

versions of its F-27 and F-28 twin-

• MOTOBÉCANE, the French

moped maker, is likely to file for

bankruptcy this month after failing to meet payments of FFr 20m (\$2.9m) due last Thursday. Page 18

• MASSEY FERGUSON, the trou-

bled Canadian farm machinery

Page 16

alysis. Page 3

COMPANIES

Shipping. Page 18

engine aircraft. Page 4

West German D-Mark.

No. 28,999

GENERAL

Ten die in Italian GNP up ski lift accident in 1982

In the Italian winter sport resort of Champolus, near Aosta, 10 people were killed and two seriously in-• FRANCE'S gross national prod-uct grew by 1.5 per cent in 1982, while West Germany's fell by 1.2 jured when a ski-lift broke in high per cent. This largely accounts for France's 3.6 per cent increase, in

In a Turin cinema fire, more than 35 were killed and many more injured, police said yesterday even-

In the south-east Turkish town of Birecik, 20 people were killed in a head-on crash between a bus and a

Three Dutchmen and one Englishman were killed when their light aircraft crashed into the Ijweaker members came under in-

meer lake near Amsterdam. Argentine crisis

Argentine President Reynaldo Bignone faced his most serious crisis since taking power in June, with new unrest in the armed forces, whose chiefs are believed to have drawn up a programme of tough economic and political measures. There also appears to be a bitter clash between the military junta and politicians. Page 16.

Iragis 'kill 15,000'

Irao said more than 15,000 Iranians had been killed in fierce battles last week when Iran launched a new offensive. Page 2. Iranian Leftist opposition Mujahedin said that 1,000 political prisoners were executed in one week last month

Assam destruction

The Assam village Chamaria was, destroyed and several others at-tacked in Hindu-Moslem conflicts before today's local elections. At least 14 more people were killed, and it is estimated that up to 85

Chilean reshuffle

Chile's Finance and Economy Minister Rolf Luders cut short a European tour for a Cabinet reshuffle, to be announced today.

Thatcher accused

Soviet news agency Tass accused British Premier Margaret Thatcher and the Conservative party of using "the dirtiest methods of Goebbels's propaganda" to spread fear about a "mythical" Soviet military threat.

Sadats sentenced

Egypt's Court of Ethics confirmed a year's detention order on the late President Anwar Sadat's brother Esmat, and three of his sons, for the late President's name.

4

fraud, corruption, and exploiting Spa complex blaze Fire destroyed the two-year-old

Taunus-Therme spa complex at Bad Homburg, West Germany, causing DM 50m (\$21m) damage.

Colombian crime war Colombia is spending about 30m pesos (\$436m) on modernising its po-

Hinckley suicide bid

lice to fight crime and guerrilla ac-

John Hinckley, who was found not gulity because of insanity of trying to kill President Ronald Reagan in 1981, was in hospital in Washington after a suicide attempt.

Eta expuisions Eta's political-military wing expelled 12 hardliners from the basque separatist organisation.

Briefly...

Queen Klizabeth and Prince Philip left London for Bermuda for a onemonth tour that will include Jamaica, the Cayman Islands, and North

China saw out the Year of the Dog maker, has launched a new marketand welcomed the Year of the Pig with fireworks, theatricals, and feasting, Page 16

ing and sales strategy in the U.S. Page 18 _ CONTENTS -

Japan agrees to restrain VTR exports for EEC

BY CHARLES SMITH IN TOKYO

Four weeks of negotations between the EEC and Japan ended in success at the weekend when Japan undertook to restrain its exports of video tape recorders and TV tubes to the community market, and to monitor sales of eight other

Mr Sadanori Yamanaka, and two Etienne Davignon and Mr Wilhelm

● UK BANK profits are likely to be 20 per cent down in 1982 after bad Haferkamp. It is the first time Japan has debt-provisions doubled to £850m agreed to limit exports of any item (\$1.3bn), but dividends are likely to go up by more than 10 per cent. Page 6 to the EEC as a whole. Previous restraints on Japanese shipments to took nearly half. Europe have been limited to indi-• EUROPEAN Monetary System's vidual countries.

The agreement to restrain exports to the EEC was one of two important moves made by Japan on the trade front at the weekend. In separate talks with the U.S. Special Trade Representative, Mr William Brock, MITI officials agreed to con-1981, under which Japanese passenger car exports to the U.S. have been held below an annual ceiling of 1.68 units.

Saturday's EEC agreement centred on Japan's promise to limit sales of VIRs in Europe for three years with the ceiling on sales for 1983 fixed at 4.55m sets. This figure

International Trade and Industry, ed for final assembly at a number motor-cycles, machine tools, light Mr Sadanori Yamanaka, and two of newly established Japanese VTR commercial vehicles, quartz

Direct exports of finished sets by Japan will probably total slightly under 4m, compared with 1982 of around 4.9m sets, of which Britain ment will withdraw a ruling intro-

er significant items – a price clause which will align the ex-stock price of Japanese VTRs shipped to Europe with the ex-factory price of European-made sets, and a guarantee that European manufacturers will be able to sell a minimum of 1.2m sets in the community market.

tinue for a third year arrange— The guarantee of a minimum pro-ments, originally introduced in May duction level for EEC makers means, according to one EEC source, that the European industry will be able to achieve the "critical mass" needed to become competitive in world markets for VTRs. Japan will also limit exports to the community of TV tubes for

three years There will be joint monitoring by

The agreement came during talks includes an estimated 600,000 Japan and the EEC of eight other between the Japanese Minister of knock-down kits that will be export-sensitive export items — cars, Mr Sadanori Yamanaka, and two of newly established Japanese VTR commercial vehicles, quartz EEC Commissioners. Viscount factories in the UK and West Ger- watches, fork-lift trucks, TV sets and hi-fi equipment.

In return for Japan's undertaking, the EEC is understood to have guaranteed that the French governduced in December under which all The agreement includes two oth- VTRs imported into France have had to be cleared through the inland customs post of Poitiers.

The agreement to restrain VTR exports was described yesterday by the EEC main negotiator, Viscount Davignon, as a major turning point in Japan-EEC relations.

The UK Government is unlikely to be satisfied with the agreement The Trade Department will probably pursue the complaint in Gatt against Japan's trading policies even more strenously.

Britain will probably press for

the UK. This demand is not met by the restraint agreement

Footholds in Europe, Page 4 Fewer UK jobs, Page 16

Reagan may put forward compromise on missiles

BY REGINALD DALE IN WASHINGTON

servative victory in the forthcoming general election. On Friday the D-Mark was placed above the Danish krone, and only a little below the Dutch guilder, which remained very range nuclear weapons from Europe, Vice-President George Bush The Italian lira was the top cur-

rency by virtue of its wider divergence allowance. The Belgian franc was the weakest currency, placed outside its divergence limit. The chart shows the two constraints gestions from allied leaders on the on European Monetary System ex-change rates. The upper grid, based on the weakest currency in the sys-tem, defines the cross rates from which no currency (except the lira) may move more than 2% per cent. The lower chart gives each currenon missiles. Mr Reagan now had to determine how to respond, he said. Basically, it was up to the Soviet said. Union to come up with a "new and reasonable" proposal, Mr Bush said, and Mr Reagan was now delibcy's divergence from its "central rate" against the European Curren-cy Unit (ECU), itself a basket of Euerating whether to do something to

gan would not abandon his ultimate comes up with a serious negotiating objective of banning the missiles al-

is considering whether to propose option formula that he adopted in gan would decide. an "intermediate way" to achieve 1981. He added, however, that "may Mr Bush also said his aim of banning all intermediate be there is an intermediate way" to the objective. Nobody he had met in Western

Europe had argued against the zero Mr Bush, who returned from a option, except on the grounds that ten-day trip to Western Europe at the Soviet Union did not like it, Mr the end of last week, said that he Bush said. The allies had also suphad brought back confidential sug- ported deployment of new American Cruise and Pershing 2 missiles next steps forward in the Geneva from December, if there was no negotiations with the Soviet Union agreement in Geneva, and the U.S. would not "vacillate or pull away" from the deployment date, Mr Bush

West European governments. while supporting the zero option as the ideal solution, have suggested that there might be some kind of inencourage them. Whatever he did terim agreement under which limwould be in full consultation with ited numbers would be deployed by both sides. The U.S. has indicated Mr Bush stressed that Mr Rea- that it will be flexible if Moscow

know whether Mr Reagan would run again for the presidency in 1984, although he thought that he should do so. All the signals were that Mr Reagan was planning to run, he said.

Mr Bush said he thought that both the Israelis and the Lebanese now accepted the urgent need for progress in negotiations on the withdrawal of all foreign troops from Lebanon. He would not comment on the details of the latest plan put forward by Mr Philip Ha-bib, Mr Reagan's special Middle East envoy, which is reported to call for a doubling of the multinational peace force currently in Beirut.

He added, however, that the U.S. would do "whatever is necessary" to allow the Israeli, Syrian and Pales tinian forces to leave the country. Soviet arms plan warning, Page 2

PRESIDENT RONALD REAGAN together, under the so-called zero be still did not know what Mr Rea-

nine Airbus aircraft.

Brazil Airbus order in jeopardy

By Andrew Whitley in Rio de Janeiro

ATTEMPTS BY Brazil's second airline, Vasp, to compel the West Euro-pean banks financing Airbus Industrie sales to provide additional foreign currency loans to the Brazilian Government are endangering a \$590m deal with the Sao Paulo state airline for nine A-310 wide-bodied aircraft.

The British, French and German banks involved have already agreed to provide 100 per cent financing for the projected sale, which would be a major breakthrough for Airbus Industrie, the European consortium, in Latin America. Government export credits represent 85 per cent of the financing, with the balance

coming from commercial loans. But earlier this month, Vasp told the banks the order was conditional on the provision of an additional Euromarket loan of \$280m to Infraero, the Federal government agency responsible for the re-equipment of Brazil's airport navigation systems. French companies have won

Infraero. The new demand, coming on top of the requirement to participate in Brazil's pending \$4.4bn jumbo loan and to roll over 1983 maturities. has split the Airbus banks, pitting Midmore of the recorders to be made in and against the French consortium ed by BNP, with the Germans led by Dresdner Bank watching from

the sidelines. Midland, which, as a group, is having to put up approximately \$200m in new money for Brazil this year, considers the question of any parallel financing for Vasp to be "totally inappropriate and unrealistic in the present climate." At its request the formal financing offer made to the airline last week, contains no reference to the Infraero

Airbus Industrie and the French banks, for their part, feel much more strongly about the need to accommodate Brazil if possible, if it would mean finally securing the order. The order was won last April. against strong competition from

Boeing, and it is feared that Vasp might revert to the U.S. manufacturer. France is known to have attempted to link Brazilian orders, notably for the Airbus and airport navigation equipment, to its participation in the Brazilian financial rescue package when it first emerged last December.

However complicating the dispute is, the fact that Vasp is by no means sure of winning the neces-sary state and Federal government approval for the purchase of the

Sharon will retain Israeli Cabinet seat

BY DAVID LENNON IN TEL AVIV

main in the Israeli Cabinet as a Minister without portfolio. That was decided at the Cabinet meeting yesterday, after Gen Sharon had re-turned the Defence Ministry portfolio to Mr Menahem Begin, the Prime Minister.

The decision to keep Gen Sharon n the Cabinet, after the severe criticism of his actions by the Commission of Inquiry into the Beirut massacre, is bound to lead to a stormy session of the Knesset (Purliament) today, when it is asked to approve the switch of portfolios.

The Government is confident that it will win Parliamentary approval for retaining Gen Sharon, who, it says, has thus formally fulfilled the recommendation of the Inquiry Commission by giving up the Defence Ministry.

Mr Begin will serve as Defence Minister for an interim period, as he did between the resignation of Mr Ezer Weizman from this post in the lion's share of orders placed by 1980 until Gen Sharon's appointment after the 1981 election.

Professor Moshe Arens, the current Israeli Ambassador in Washington, is the premier's first choice to take over Defence. Prof Arens has yet to confirm his acceptance of the post, which he rejected once be-fore because he opposed the Camp

GENERAL Ariel Sharon will re- David agreement on peace with

U.S. sees a totally

making vehices, Page 14

new approach to

Egypt. In a letter to the Premier yesterday, Gen Sharon wrote: "I will com-ply with the Cabinet's decision (last Thursday) to transfer the portfolio of Defence," but added: "I have no intention to resign from the Government and I intend to go on and serve as a Minister."

In an editorial yesterday, the Jerusalem Post condemned this manoeuvre. It said Gen Sharon should be dismissed from the Cabinet. "He has been a malign force in the Cabinet, manipulating it to an expanded and disastrous war in Lebanon that the other ministers did not want and could not foresee.

"And he has been a malevolent force on the public stage, deepening by his unbridled rancour and ambition the polarisation that besets the nation. As long as he bears the legitimacy of office, his influence will remain intact," the paper wrote.

Nonetheless, yesterday's develop-ments may defuse the political crisis which has rocked the Government since the publication of the critical report of the Inquiry Commission last week.

But the Government still faces a number of Parliamentary challenges this week. In addition to the Continued on Page 16

UK sets up secret metals stockpile

BY JOHN EDWARDS IN LONDON

sources in London.

have been approached with buying orders for chrome, manganese and other materials, used in the manufacture of armaments and vital to industry. Initial sums involved are believed

to be between £5m to £10m (\$15.4m), but building up a reasonable stockpile would cost a great

make Britain less vulnerable to some time. A special report by a House of Lords select committee, last Octo-

ber, cited several metals and miner

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supply shortages, has been debated

THE UK Government has secretly started buying materials to create a strategic stockpile of key metals and minerals, according to trade Africa, the leading producer of chrome, manganese and platinum Several South African companies group metals.

The idea of creating a strategic make Britain less vulnerable to supply shortages, has been debated for some time. A special report by a House of

Lords select committee, last October, cited several metals and minerable stockpile would cost a great als, the supply of which is either deal more.

The idea of creating a strategic stockpile of vital raw materials to make Reitain less unlocable to Africa, the leading producer of chrome, manganese and platinum group metals.

But it is believed that the Falklands War finally persuaded the Continued on Page 16

Libya and Algeria join attack on Saudi oil price stance

BY ROGER MATTHEWS IN LONDON

market, gives too little information to its members, a report by Finan-cial Intelligence and Research says. CANADIAN National Railways is having talks with "other parties" which could affect its C\$60m (\$49m) Libya, which bas been undercut-

> ing the economies and power of Islamic countries. According to a statement issued in Tripoli, "the plan being prepared by imperialist circles to force producer countries to lower their oil

> dermine the hopes and ambitions of The statement indicates a further had shown signs of some improve-

United Arab Emirates yesterday,

Statistical trends:

The Libyans have been calling

ter's tour.

other members of Opec." The official daily paper, El Moud-jahid, said Saudi Arabia's "obedience to monopolies" posed a threat to prices, but the only beneficiaries would be the oil multi-nationals. However, the newspaper believed it

Opec finance ministers are due to

ture aid for developing countries The Opec Fund last year made available a record \$485.9m, accord-

discuss the fund's capital, together with suggestions for apportioning The impact of the decline in oil revenues has been particularly felt in the United Arab Emirates, according to Mr Abdul Hakim al Bu-

nai, the budget director. He warned ment. Mr Kamel Hassan Maqhour, cause the collapse of the business yesterday that plans were being made for an "austerity budget" with made for an "austerity budget" with much lower government spending.

LIBYA and Algeria have joined after visting Saudi Arabia, Kuwait meet in Vienna today to discuss fu-

Iran and Venezuela in attacking and Qatar. Saudi Arabia's statement that it The Liby leum Exporting Countries (Opec).

ting the official price to maintain its export levels, said attempts to bring down prices were aimed at sabotag-

prices is an open conspiracy to unthe peoples of those countries."

will no longer seek to defend the for an emergency meeting of Opec, \$34 a barrel reference price for oil but the Gulf states insist there must set by the Organisation of Petro- be a prior understanding on pricing, production and differentials. The

Saudi Press Agency has not made any mention of the Libyan minis-Algerian newspapers yesterday accused Saudi Arabia of trying to push down the price of oil "in con-

unlikely that any of the Gulf counworsening in relations between Lib- tries would dare to undertake "soliya and Saudi Arabia, which earlier tary and dangerous initiatives which could set off a price war and

ing to the 1982 report just issued.

However, the report warns: "Such the financial position of Opec coun-tries and their ability to give, continues to suffer as a result of lower oil exports and prices."

Mr Ibrahim Shihata, the Fund's director-general, added that it had

backs would not be felt for the next two years. The one-day meeting of finance ministers is scheduled to

Another day, another dollar

LONDON

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Barbie tells of his 'suffering'

By David Housego in Paris KLAUS BARBIE, the former Gestapo leader in Lyons who is to stand trial in France for erimes against humanity, expressed no regrets for his actions in 2 remarkable interview on French tele-vision last night.

Barbie, who has been in France for a week since being deported from Bolivia, described his job during the war as head of the anti-resistance forces in France. 'My particular taks," he said, was the war against the French resistance."

Asked about the fate of Asked about the fate of Jean Moulin, head of the resistance in France, who Barbie is said to have tortured to death, he replied "that was part of the war." The interview was recorded by a Bollvian television team.

who accompanied Barbie during his flight a week ago from La Paz via French Guyana to Lyons.

At one point in the film, not all of which was shown last night, Barbie says "if Germany had won the war, nobody would have bothered with my case." At another point he draws a comparison hundred years afterwards he has been made a hero of."

Asked how he judges his life, Barbie said that the "balance sheet is that I have suffered a great deal." He is accused of being responsible directly or indirectly for 14,000 arrests, 4,300 deaths and 7,500 deportations.

FACT

IT CAN LEAD TO BLOOD VESSEL DAMAGE particularly to the eyes, kidneys and limbs

DIABETES

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Nitze condemns Soviet proposal to limit missiles

BY BRIDGET BLOOM IN MUNICH

still have twice as many missiles ployment unnecessary. threatening Western Europe as it ate arms negotiator in Geneva.

Mr Nitze, who leads the U.S. del-Force (INF) talks, gave the fullest details so far of the U.S. reaction to the Soviet offer to reduce its SS20 missiles in Europe to the level of the 162 French and British systems when he spoke here at the week-

He was attending the two-day Wehrkunde conference.

Mr Nitze, who has so far maintained public silence on the details of his 15-month long negotiations with the Soviet Union, listed four key objections to the Soviet proposals, which were made public by Mr Yuri Andropov, the Soviet Premier,

The Soviet offer would mean that Nato would not be able to deploy in Germany and Britain by the end any of the 572 cruise and Pershing of the year had begun to arrive.

IF NATO accepted recent Russian missiles. Deployment should begin proposals to limit nuclear missiles at the end of this year unless arms in Europe the Soviet Union would negotiations succeed in making de-

It would leave a large number of Soviet SS20 missiles in European had four years ago, according to Mr Soviet SS20 missiles in European Paul Nitze, the chief U.S. intermedi-Russia, as well as an unlimited number of such nuclear weapons deployed behind the Urals but still egation to the Intermediate Nuclear capable of reaching Western Eu-

> Finally, it would mean the virtual elimination of U.S. aircraft in Europe which were capable of carrying either nuclear or conventional weapons. This, Mr Nitze said, would severely weaken the U.S. contribution to Nato's conventional deterrents and defence.

Mr Nitze would not be drawn on whether or when he expected the Soviet Union to produce new proposals. The consensus at this con-ference appeared to be that there was no likelihood of real Soviet concessions for several months and probably not until those missiles which are due first to be deployed

Troops run refineries in Assam as violence flares

BY K.K. SHARMA IN NEW DELHI

TROOPS TOOK over the running of oil installations in the troubled northeast Indian state of Assam at the weekend to ensure that crude production is not affected by the current spell of violence. More than 90 people had been killed by last

The violence, which has led to the closure of two of the three refineries in Assam, is aimed at preventing elections to the state legislature and of 12 members of parliament. The first round of polling, which will last until February 20, will be held today.

The agitation has been launched they call "foreigners," mostly Ben- ing.

gali migrants from Bangladesh and the Indian state of West Bengal.

Violence continued yesterday in Assam for the 13th successive day with more explosions, looting, attempts to blow up bridges and police firing on mobs. Ominously, there were communal killings also for the first time, suggesting that the charged atmosphere in the state caused by the agitation over the elections has sparked off tensions between the Hindus and Muslims.

Assam is a key oil-producing state, yielding more than 5m tonnes of crude a year. Production has been threatened because of strikes by students who have for four years by oil workers hence the decision to been seeking the expulsion of what use troops to keep oil production go-

Tension and uncertainty at IMF talks

AT 11 pm last Thursday, 22 to SDRs 90bn, was broadly finance ministers dining in what had been hoped for at the Washington's exclusive F Street Club discovered that they had run out of time.

The club had been booked by Congress and uncertain than Sir tense and uncertain than

The club had been booked by Geoffrey and incertain than Sir the International Monetary expected when he decided to Fund only until 11, but as the bring forward the meeting in hour approached the countries an effort to hurry the increase were still far from agreement on the amount of extra resources which should be pro-vided through increased quota through.
The U.S. negotiators who had

Turkey will ask the Intersubscriptions.
In a symbolic gesture, one national Monetary Fund (IMF) to renew for one year its three-year 1.25m special drawing rights (SDR) standofficial stopped the clock to give Sir Geoffrey Howe, the UK Chancellor and chairman of the Fund's interim committee one last chance to bridge the still substantial chasm between the U.S. and most other by agreement when it expires in June, writes Metin Munir

countries. Everyone present knew that a deadlock could send waves of inxiety into the international

unxiety into the international banking system which is now highly dependent on the authority and finances of the IMF in grappling with the problems of high Third World debts.

By 11.45, the U.S. had dropped its insistence on a total cash ceiling of \$8bn as its total contribution to the strengthening of the IMF's resources. China and Mexico had agreed that more of the increase in quotas than they wished could be used to redistribute the relative quota shares between countries. India also dropped its objections to the majority scheme. the majority scheme.

in Islanbul.

Mr Aduan Baser Kalaoglu,
the Turkish Minister of
Finance, revealed this to a
group of leading U.S. bankers at a private meeting in New

in Istanbul.

shoulders to a sceptical Congress, "found" an extra \$400m at the last minute when the other countries threatened to reduce the U.S.'s voting power to under 20 per cent by increasing their subscrimons at a faster rate than the U.S. seemed prepared to do. The final result, including an

agreement by the 10 richest nations (the Group of Ten). to increase and extend their general arrangements to borrow ne majority scheme. from SDR 6.4bn to SDR 17bn, The final result, which was a represents almost a doubling

of schedule—questions remain, however, as to whether the IMF will have enough money to cope with the huge scale of York last week, according to a Turkish Government official. The Turkish economy has made substantial progress since the standby agreement as concluded in June 1980. Inflation has come down to 25 per cent in 1982 from over

and by other countries' parlia-ments goes through by the end

of this year-two years ahead

100 per cent in 1980 and, at \$735m, the current deficit is nearly five times smaller than the 1980 figure. The country's external

> possible debt problems. This year the IMF has about \$15bn of uncommitted funds available. This will be reduced to about \$11bn after agreement with Brazil for its debt rescheduling package, and it is admitted that this vill probably not be enough to meet the likely calls for assistance from

Latin America and elsewhere. Borrowing from Saudi Arabia, from other governments, or as a last resort from the money markets, will tide the fund over. But even after the new in-creases have been ratified the 47.5 per cent increase in quotas of the usable resources avail- fund's usable resources, includparallel to this recovery, enabling the Government to re-enter the market for modest sums of mainly project and export related loges.

Third World debt last year was

Morgan Guaranty, for ex-ample, says that Third World

indebtedness could rise by 30

creditworthiness has improved

Mr Kafaogia's announce-ment was accompanied by a statement of intent that Turkey would enter the market for a medium-term halance of payments loan of modest perportions this year modest proportions this year, per cent between 1982 and 1986 under "good" assumptions.

Although IMF officials are cautious about giving figures, they concede that the general drift of this analysis is correct. They are generally worried about the possibility that the problems of Latin America. Eastern Europe and the rest of the indebted countries could be added to new calls on the Fund from Western Europe.

On the basts of its existing quota, France alone might ask for as much as \$4.5bn of assistance in a single year. Although

Co-operation and Development's (OECD) estimate that the total

lund's total resources.
The adequacy of the Fund's resources is closely that to the major policy question of whether it should dig itself deeper into debt rescheduling packages with extra money, or whether it should be mainly an

intermediary.

There is still scope for con-There is still scope for considerable debats about what the increase in quotes will mean for access to the Fund. At present, individual countries can ask for assistance of up to 450 per cent of their quota. If this rule is unchanged as Third World countries wish, debtor countries could immediately ask for more help, and the Fund's resources would be no better able to match calls upon it. It has been decided to defer

It has been decided to defer a decision on this thoray guas-tion. However, it seems likely that the U.S. and other advanced countries which dominate the IMF's executive board will insist that access to the fund should not be allowed to increase by as much as the 47,5 per cent increase in the quotas

per cent increase in the quotes agreed last week.

A compromise which allows some increase in access in mone terms seems likely. As one official said. the whole tenor of the fund's recent approach to the needs of debter countries has been as low key and as pragmatic as possible.

Heavy casualties in Gulf war

BY ROGER MATTHEWS

and revolutionary guards since fighting in the Gulf war flared up again a week ago.

About 1,000 Iranian prisoners of war were paraded through the have indicated that it has also been streets of Bagdad on Saturday. suffering heavy casualties but no Nearly 100 Iranian tanks and 80 armoured personnel carriers were also said to have been destroyed or captured during the battles.

so claimed yesterday that its air- day that Iraq was standing firm craft and naval units had attacked against the latest attacks. craft and naval units had attacked the main Iranian oil terminal at Kharg Island, damaging facilities

IRAQ CLAIMED yesterday to have day opposite Amara in Misan provkilled over 15,000 Iranian troops ince south east of Baghdad. It appears to have penetrated the first lines of the Iraqi defences but then petered out.

> Iraq's military communiques suffering heavy casualties, but no figures have been given.

Dr. Osama el-Bas, a senior aide to President Muharak of Egypt, said An Iraqi military communique al- on returning from Baghdad yester-

"We believe that the situation there is reassuring and the Iraqi and a tanker moored at a jetty. front is holding together, politically There has been no independent ver-ification of the claim. and morally, he said. There is hope that the battles raging there Iran launched the second stage of are the final battles and the its week-long offensive on Thurs-bloodshed will stop."

Egypt has been a major supplies of arms and ammunition to iraq and there are moves for the two countries to re-establish diplomatic relations which were broken off because of Egypt's peace treaty with

M Claude Cheysson, the French Foreign Minister, also arrived in Baghdad at the weekend. Iraq has recently concluded new arms sup-

ply agreements with France.

M Cheysson was expected to seek clarification on Iraq's capacity to fi-nance existing military and civil

Despite further assistance from Saudi Arabia, Iraq's financial posi-tion has been steadily deteriorating because of the war and its inability to export more than about 600,00 barrels of oil a day.

Italian tax investigation

By James Buston in Rome TWO ITALIAN MPs have been warned officially that they are under investigation for involvement in a largescale tax evasion scandal. Last week, a senior official of the Vatican bank had his passport removed and two priests were arrested in connection with

the same affair. The MPs, a Christian Demo rat senator and a Social Democrat deputy, are alleged by Turin magistrates to have secured the promotion of tax officials couniving at a vast racket concerning the evasion

When the scandal first broke in November 1980 implicating politicians, implicating politicians, customs men and businessmen, it was said that the state had been defrauded 12,000bn (£880m).

Aga Khan is re-elected

By Our Rome Certasponds PRINCE KARIM, the Aga Khan is to continue to chair the Consortium Costa Smer-alda, which runs the luxury resort on the Sardinian coast. He and the entire committee

of the consortium resigned in nearly January in protest at the Sardinina authorities' refusal to authorise a L1,000bm (\$440m) expansion plan for the resort.

The authorities this month ep proved the glan after it years' delay.

The Aga Khan had insisted that he would not return to the consortium, but was re-

elected by acclamation. FINANCIAL TIMES, published duly except Sundrys and holidays, U.S. subscription rates \$420.60 per annum, Second Class postage paid at New York. N.Y., and at additional mailing

British Airways and the 757 go together li RollsandRe

opportunity to extend its association with British Airways - its largest commercial customer.

Chosen by airlines in Europe and America to power the 757, the 535 combines the latest engine technology with features proved in many years of RB211 airline service in TriStars and Boeing 747s.

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Entering Shuttle service with British Airways

- the Boeing 757 powered by Rolls-Royce 535

engines. The most fuel efficient airliner in the

world - the 757 is the first Boeing commercial

aircraft ever launched with a non-American engine.

Rolls-Royce is glad to have won this

of the state of th

The second secon

Vga Khan

15 re-elected

Fr. Die Rame Comm.

THE .

in regular

Government bids to boost home demand

deeper into economic recession. But these statistics do not tell the whole story. The budget figures only cover central government and take no account of local govern-ment income or proceeds from pension funds which reduce the deficit considerably. The Social Democratic Govern-ment has produced a plan to revive industry.

Elected with a commitment to restore benefits reduced by the previous government, the the previous government, the Social Democrats do not plan cuts in public spending. Indeed, the SKr 91.8bn budget deficit forecast for this year is approximately SKr 14bn more than that anticipated by their predecessors. This will more than that anticipated by their predecessors. This will be financed partly by increased indirect taxation and partly by further foreign borrowing, forecast at SKr 20-25bn in 1883.

The main objective is to restrict domestic demand for imported goods while stimulating demand for Swedish

Commentary by Our Economics Staff: data analysis by Financial Times Statistics Unit; charts and graphs by Financial Times Charts Department

goods at home and abroad. This is to be achieved through the 16 per cent devaluation of the krona which took place

of the krona which took place in October last year.

The terms of trade figures show the immediate effect on Swedish competitiveness. The extent that Sweden's problems can be attributed to slack demand for exports is indicated by the fact that her share of world imports fell from 2.27 per cent in 1970 to 1.47 per cent in 1981. With 1.47 per cent in 1981. With

the present low levels of capa-

Falling industrial output city utilisation (an average and investment, rising budget of 79 per cent in the engineering industry during the third appear to be pushing Sweden quarter of 1982), a resurgent demand for exports can be satisfied.

Low returns on capital com-pared with previous years and alternative investments, have caused industrial investment

caused industrial investment to fall to 1960 levels, but the Government plans legislation to force manufacturers to invest the increased profits they expect.

The cost to the Swedish people is expected to be a 4-5 per cent drop in real income. Inflation is forecast to rise to 11 per cent with wages budgeted for a 7 per cent increase. To make this acceptable, the Government intends to contain unemployment.

ment.

At present, the record number of people out of work is equalled by those engaged on direct Government schemes. Other proposed measures are heavy refinancing of some state industries, keeping school leavers in full-time education, and sharing out the available work by increasing short-time work and reducing overtime.

Oil imports appear to have increased slightly in 1982 and the Government will attempt to keep such a large influence on its balance of trade under tight control during the next

few years.

The attempt to reduce dependence on oil continues with the intention of having nuclear power provide 50 per cent of electricity by 1990. Although energy conservation is promoted, it is not expected that Sweden will fall from its position as one of the world's highest per capita

energy consumers.

In fact, Sweden is one of the more efficient energy users, its 1981 figure of 0.7 tonnes of oil equivalent per \$1,000 of gross domestic product ranked it 13th among OECD countries.

TYNDALL

AMERICAN

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Invests in the World's

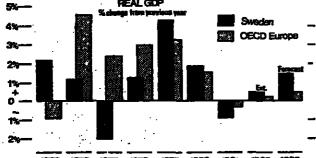
Biggest Stock Market

Tyndall believe that American stocks are still undervalued. This belief is also held by many leading

For the many investors who wish to invest part of their funds in North American equity securities, Tyndall American Fund Limited, a Jersey-based, open-ended investment company, provides a convenient investment vehicle. The minimum hump-sum investment is £1,500.

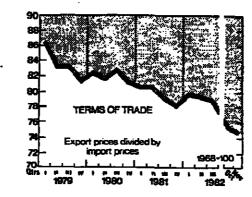
In order to compensate for stockmarket volatility, a regular investment can provide a good average purchase cost over a period of time. You can achieve this by investing in the Tyndail American Fund on a monthly basis — minimum £100 per month.

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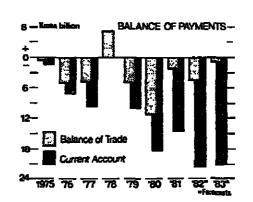


STATISTICAL TRENDS: SWEDEN

Economy Krona/C **EXCHANGE PATES** 1st Quarter 1980=100



Industry





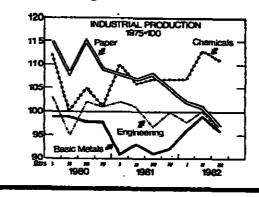
STATE BUDGET BALANCE				
	Bn krona	% of GD		
775	-11	4		
776	-7	2		
777	-18	5		
778	33	8		
779	-45	10		
180	-53	70		
787	-66	11.5		
197	-77	17 5		

-91.8

-90.2

EXPENDITURE 1986-81 on Social Security and Welfare as % of total West Germa U.S. UK 28.0 italy 27.7 38.8 32.8 12.5 43.9 Source: NIER Stockho

CENTRAL GOVERNMENT

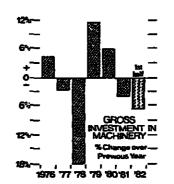


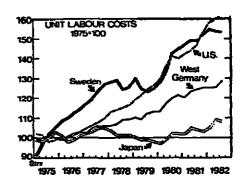
1.8

10.1

19.8

Source: OECD





Trade

IRON ORE PRODUCTION

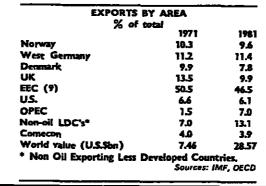
*000 metric to	3N5
1975	32,639
1976	30,526
1977	25,416
1978	21,486
1979	26,619
1983	27,184
1981	23,225
1982*	15,313
 To November. 	
0	indian Consular

	.,,,	1790	17/0
Forest products	24.0	19.1	2.2
of which:—timber	6.7	4.4	1.1
· puip, paper	17.3	14.7	1.1
fron ore	3.4	1,3	_
Fuel and energy	0.9	3.9	10.6
Chemical products	4.1	5.4	8.5
Base metals and products	14.7	14.0	13.9
Machinery	25.0	25,1	21.6
Transport equipment	14.9	13,8	7.9
Others	13.0	17,6	35.3
Value U.S.\$m	6,783	30,892	7,005 3
			Sources: 1

TRADE BY COMMODITIES

% of total

Experts



alent per capita	•)
1973	1921
5.9	5.3
4.3	4.
4.0	3.5
8.3	7.
3.1	3.
8.6	9.4
4.8	4.
0.2	0.
	5.9 4.3 4.0 8.3 3.1 8.6 4.8

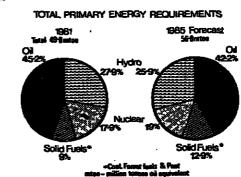
Employment

UNEMPLOYED OR EMPLOYED* '000s averages per month

				1704
	1979	1980	1981	(Jan-Aug.)
Unemployed	87.5	83.7	108.3	133.7
% of lab. force	2.1	1.9	25	3.1
On govt. schemes	149.3	121.4	116.4	136.4
% of lab. force	3.5	2.8	2.7	3.7
* On Public Relie Vocational Training		ve, or S	heitere	d Work and
		So	urce: Nil	ER Stockholm

EMPLOYMENT BY SECTOR % of total 1970 1980 8.1 0.5 27.6 5.6 0.4 24.2 10.5 0.6 9.6 14.4 6.9 5.0 27.1 10.4 0.9 6.8 13.7 7.0 6.7 34.8

Energy



	OIL IM	PORTS	
	imports m krona	% of GDP	Volume Index 1975=100
1974 1975 1976 1977 1978 1979 1980 1981 1982* * Forecast.	3,405 4,400 5,652 6,474 7,206 10,039 17,885 19,316 21,846	45 3.8 3.8 3.2 5.0 5.3 5.2 5.7	97.3 100.0 99.0 97.6 87.8 98.6 86.0 70.3 72.4
		Source	: NIER Stockholm

1975 1976 1977 1978 1979 1980 1981 1982 1983

A Vision for the Blind

How do you manage your own life when you cannot see. when other handicaps have played havoc with your education and when you have no home or hope of work?



June is partially sighted and had polio and TB as a child esulting in additional physical handicap. She is learning the deal/band maqual to enable her to help her blind and deaf sister who has recently joined the Royal School.

The Royal School is about learning to be independent and to be responsible; discovering what is possible for each individual. We are looking forward to a future for 150 blind adults with additional handicaps. They have come to the Royal School for the Blind because no other place offers such residential care and training and the men and women (like June in our photo) are being given the opportunity to make a tomorrow of their own choice. In gratitude for your sight this Christmas please send a donation or write for further particulars to: Sir Ronald Wates JP., DL., Chairman, The Royal School for the Blind, Leatherhead, Surrey KT22 8NR

Royal School for the Blind President: His Grace the Archbishop of Canterbury

Registered Charity No: 255913

Telephone: Leatherhead 75464.

Graph showing above average capital growth achieved by the Fund over past four years

The portfolio is concentrated into a small number of industry groups where the medium term outlook is well above average. Regular contact is maintained with the companies concerned. The Managers do not hesitate to build up sizeable liquidity if they consider it prudent to do so.

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__ Tyndall Managers(Jersey)Limited __ 2 New Street, St. Helier, Jersey, Channel Islands. Telephone: 0534 37331

Please send me details of Tyndall American Fund Limited I am interested in: Nump sum investment FTF/Feb/83 Tegular savings

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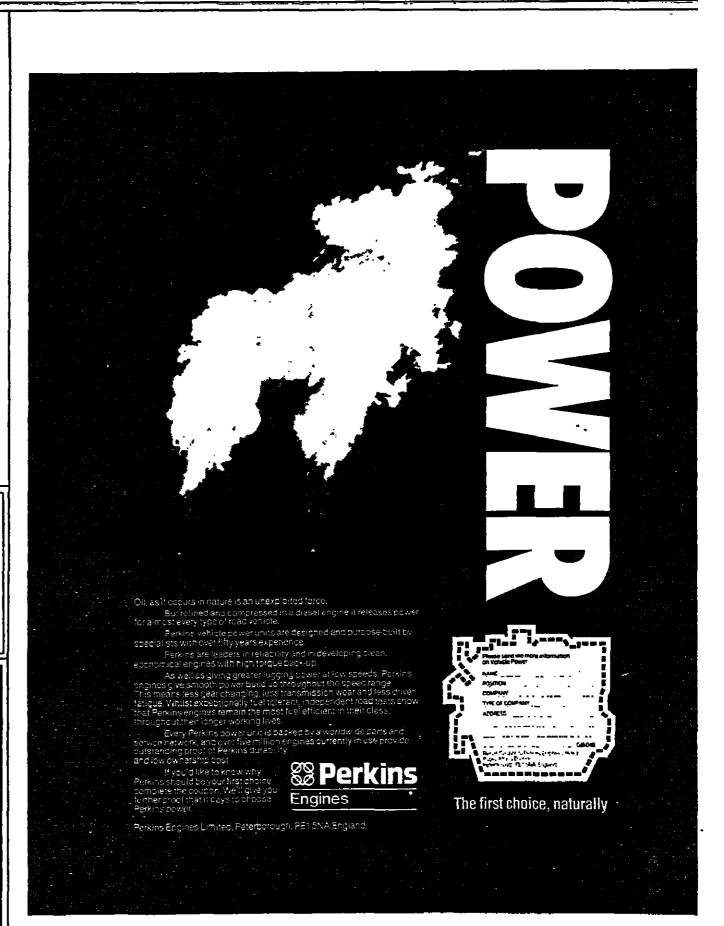
Società Financiaria Triefonica ber
Azioni
We Inform Bondholders that the
US\$2.000.000 redemption instalment
gue on March 15. 1983 was conjety
met by purchases in the market.

US\$44,000,000. The Fiscal Agent CREDIT LYONNAIS —LUXEMBOURG

International **Property** Review

Every Friday the Financial Times publishes a detailed review of the activities in the UK and international property markets.

Specialist FT writers look at the background to the week's headline making news, profile leading personalities and examine trends in the property development market.





Jason Crisp reports on Tokyo's moves to avoid trade friction with Europe

West Europe attracts Japanese investment

THE RECENT flurry of Last month Hitachi-Maxell announcements of intended said it would make video tape Japanese investments in Europe in Telford in the UK which -particularly Britain and West Germany—were mostly aimed at reducing pressure on Japan to limit its exports to Europe.

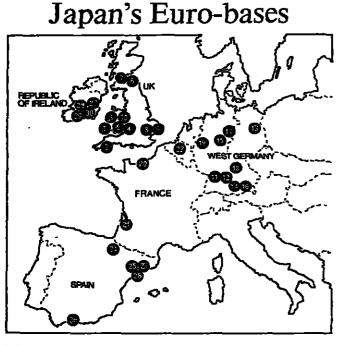
Most of the recent announcements of planned Japanese investment in Europe have been for the assembly of raid manufacture of video recorders (VTRs) and video tape. Video equipment has become one of the greatest sources of trade friction between Europe and

agreed on limited restrictions

will eventually create 200 jobs. Sanyo said it will assemble video recorders at its new tele-

6 Video equipment has become one of the greatest sources of trade friction between Europe and Japan 🤊

Britain, by far the strongest market in Europe for these products, spent as much on Japanese VTRs last year as it did on Japanese cars. At the recorder production appears intended for West Germany. First production began in Berlin at a joint venture



helween JVC, Thorn EMI of the UK and AEG-Telefunken of West Germany last year. Sony has also hegun producing VTRs in Germany. Next year Hitachi and also Matsushita in a joint venture with Bosch will make VTRs in Germany.

The first Japanese investment in manufacturing in Europe began in the late 1960s and early 1970s in Spain and Wales. The Industry Department's Invest in Britain Bureau says that to date about one half of all Japanese investment in manufacturing in Europe has come to the UK. Most of the substantial invest-ment has been made in colour television plants. The plants were set up in the mid-1970s onwards following strong pressure against Japanese colour TV imports.

The Republic of Ireland has had a reasonable success in attracting Japanese investment, including Fujitsu and NEC. But as one of the major reasons for Japanese investment in Europe is to get round or diminish trade restrictions there is a tendancy for it to go to its

6 Britain spent as much on Japanese VTRs last year as it did on Japanese cars ?

biggest markets in one of the major economies.

West Germany has recently begun to take a much higher proportion of Japanese Investment in Europe. In addition to the VTR plants Toshiba is to make semiconductors and JVC is to make video tape next year. The most commonly cited attractions of the UK to Japanese compaines include:

strong welcome from govern-ment, English language, financial incentives and strong market for consumer electronics. Main disadvantages are the reputation for poor labour

West Germany has the advantage of a larger economy, more stable labour relations, and a good source of local high

suggested that high German enginering skills and better components is the reason so many of the VTR investments

JAPANESE ELECTRONICS MANUFACTURE IN EUROPE

. •	
UK	
-7	Sony
2	Toshiba
3	Hitachi (with GEC)
4	Aiwa`
	Matsushita
6	Mitsubishi
7	
8	Sanyo
9	
10	Literate: Marrall

colour television colour television video recorders from late 1983 video tape from late 1983

colour television

video recorders

colour television and tuber

WEST GERMANY

11 Sony
12 Sony
13 J & T (JVC, Thorn, EMI,
AEG-Telefunken)

The Bosch Hitachi Matsushita (with Bosch)

video recorders (1984) video recorders (1984) semiconductors semiconductors (1984) Murata-Eric capacitors video tape (1984)

FRANCE

BELGIUM car radios/hi-ti

22 Pioneer SPAIN

23 Sanyo (with Aznarez) 24 ... National Panasonic 26 Fujitsu

domestic electrical appliance computer equipment

hi-fi video recorders

REPUBLIC OF IRELAND

27 NEC 28 Sord 29 Logic 30 Fujitsu

microcomputers

*Numbers correspond with map locations Sources: Invest in Britain Bureau, Mackentosh Consultants and Electronic Industries Association of Japan

Malaysia and UK to form trade body

By Alain Cass in Kuala Lumpui

A TOP-LEVEL economic and trade association between Britain and Malaysia is being formed with the blessing of the Malay-sian Government in a further bid to ease strains between the two countries.

The body - to be known as the Malaysian British Economic Friendship and Trade Associa-tion – is likely to be officially launched shortly after Dr Maha-thir Mohamed, Malaysia's Pre-mier, meets Mrs Margaret Thatcher, the UK Prime Minister in London later this year.

A counterpart association is to be formed in Britain with the backing of some of the UK's most senior businessmen including Lord Carrington.

Malaysian backers of the scheme include Tunku Date Abmad, chief executive of Sime Darby Holdings as well as the heads of Malaysian Tobacco, Chartered Consolidated and ICI (Malaysia).

This new link is seen as vital if trade between Britain and Malaysia is to recover following Dr Mahathir's two-year-old British last" edict.

British companies have lost tens, possibly hundreds of mil-lions of pounds worth of Malaysian Government contracts since the edict although a number have got through against stiff competition from Britain's trading competitors.

Businessmen and officials are now quietly optimistic that a turning point in relations has been reached following Dr Mahathir's remarks in an interview last week that he detected a "much more positive attitude" towards Malaysian grievances.

EEC members begin debate on export credits

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR, IN LONDON

EEC MEMBER states this week But it is thought that if the U.S. is start the complicated discussions to to agree to changes, it will have to devise a mandate for the Commisbe offered what it has long sought: sion to take to the next round of in- a mechanism for changing the excredit interest rates and conditions.

The present agreement on interest rates, which involves the OECD nations and is called the consensus, expires in May. The rates range from 10 per cent for the poorest borrowing countries to 12.4 per cent for the richer borrowers.

Exploratory talks on a new agreemission will have received a negotiating mandate by then. Officials from the member states

start the process of reconciling conlicting positions on the new rates of interest and how they might be changed in the future meetings in Brussels at the end of this week.

The Commission itself is leaning towards advocacy of a reduction in the interest rates of 0.5 of a percentage point, reflecting the general lowering of commercial rates since the last set of international negotiations in summer 1982.

ternational negotiations on export port credit interest rates so that they stay moderately aligned to commercial rates.

In the UK, the Department of Trade and the Export Credits Gunrantee Department are thought to be broadly sympathetic to this view. It is generally accepted in White

hall that the payment of a subsidy to bridge the gap between sharply ment start in Paris on March 1, but divergent export credit and com-is not thought likely that the Com-mercial interest rates should not again be allowed to reach the level of 1981-82. Then it cost C587m

If the subsidy is to be kept under control then it becomes important to make certain that export credit interest rates do not sink too far undemeath the level of commercial interest rates.

To realise this, the UK is now prepared to examine a semi-automatic mechanism for changing the export credit rates, a new departure. But the final British position

Natali in Cairo talks

BY CHARLES RICHARDS IN CAIRO

percussions on Egyptian exports to European countries when Spain and Portugal join the Community.

tial margins Egypt now enjoys over

SIG LORENZO NATALL, the vice Spain and Portugal in trade with president of the European Commission and Commissioner for Enlarge- Egypt's exports to the Communiment, is in Cairo to discuss with ty last year were worth \$3bn, over Egyptian officials the possible re- 80 per cent in oil and petroleum

Egypt also exports onions, garlic, potatoes, citrus fruits and other ag-Even with possible cuts in quotas ricultural produce with between 40 and tariff reductions, the preferen-

Fokker may develop new version of F-28

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

the development of new versions of its highly successful F-28 twin-engined jet airliner and F-27 twin-prop airliner, with new turboprop aircraft. Mr J. Cornelis, Fokker director

for new projects, said in Amsterdam that the company had asked help with the costs. The aim is to raise the seating of

the F-28 from 85 passengers to 109, which would make it immediately highly competitive with the British Aerospace 148 four-jet regional airliner. Feasibility studies on the programme are due to be completed in

The stretched F-28 would use the new Rolls-Royce Tay jet engine, be- the group clearly wishes to exploit ing developed as a successor to the that through the 1980s and into the Spey. The aircraft could be avail-

FOKKER of Holland is considering able in 1986-87, at a cost of about investing up to F1 700m (\$263m) on \$14m per aircraft. The present ver-

A new version of the F-27 turbo prop airliner, with new, more fuelefficient engines, could be on the market by 1986. Both Rolls-Royce, with an improved version of the

Dart, and Pratt & Whitney of the an aircraft. Fokker's plans reflect the in creasing trend in world aerospace manufacturing to develop deriva tives of existing aircraft, rather

than go to the expense of develop ing entirely new types, Since the F-28 and F-27 have been successful in world markets,

Belgian shipping group 'to take on the Poles'

BY ANDREW FISHER, SHIPPING CORRESPONDENT, IN LONDON

the company was prepared to sacrifice several million dollars in reverues to combat planned Polish competition between the UK and Australia. "We are poised to take on the

Poles," he said in London. "We are willing to sacrifice money in order The state-run Polish Ocean Lines

is bringing on four new Spanish-built roll-on/roll-off vessels to add UK port calls in Southampton to its service from the Continent.

Its service, initially monthly until the fourth of these ships is delivered, starts in mid-March. Total container volume to Australia is around 40,000 TEUs (twenty foot equivalent units) a year, Mr Rosen-feld said.

But this is down on earlier levels, he added, as recession has eroded trade. ABC itself, which operates

MR TSVI ROSENFELD, head of below organised conference rates, ABC Containerline of Belgium, said has revenues of some \$11m on the route and carries around 4,000

> Mr Rosenfeld, who said ABC profits fell to \$2m after tax in 1982 from the \$4-5m level of recent years on total revenues of \$100m, asserted he was prepared to sacrifice 30 per cent of revenues on the UK-Australia route, if necessary. "Let's see after two years," he

said. Average revenue per TEU (the industry's basic unit) was \$2,500 on the route against \$3,200 a year ago and \$3,800 two years ago.

Mr Rosenfeld said the profits fall was caused by delays on delivery of two ships from Belgium after the Cockerill yard went bankrupt. This year should see an improvement. He also announced ABC would

enter the North American southbound trade to Australia and New

Dutch in new China row BY WALTER ELLIS IN AMSTERDAM

GOOD RELATIONS between China and the Netherlands. still suffering confirmed. RSV, like KLM, is partand the Netherlands, still suffering

from a Dutch decision to construct two submarines for Taiwan in 1981, have come under further strain as tween Amsterdam and Taipei, to start on Wednesday.

The service, to be operated by Martinair, an independent carrier 25 per cent owned by KLM, will be shared with China Airlines of Tai-

China has protested to the Dutch Government that the new route indicated recognition of Taiwan by the Netherlands, but the government in The Hague has replied that the venture is entirely commercial and unconnected with diplomacy. Worse could follow if an announcement by RSV, the ailing

Dutch shipbuilder, of possible fur-

owned by the Dutch state, and Peking is anxious to ensure that diplomatic recognition of the Taiwan rethe result of a new air service be- gime is not carried through by covert means under the disguise of

Confidential

Muclear windmills project

The minister concerned has yet togive us a firm indication of his support for this chycial venture. Until our future looks clearer, we must obviously postpone any desisions on adopting word processing Decision day, Thursday! or any other office system,

HER MISS

Decide on your word processor. Then decide on your future.

MICRO-COMPUTERS. IT TOOK NCR-TO IRON OUT Microbes are those little things that internal modules. A multi-language

have been bugging micro-computer users for too long.

And it's taken a main-frame com-

puter company with NCR's resources to overcome them. For the first time, the new **Decision** Mate V introduces proven NCR patterns

of performance to micro-computing. Ordinarily, micro buyers have to choose between the speed of a 16-bit system or the wide software options of

an 8-bit system. The NCR Decision Mate's dual processor combines both.

Normally, micro buyers run into trouble matching available software to the hardware.

The second secon

NCR offers five leading software

packages with the Decision Mate V along with a list of packages that have been tested and approved on the hardware.

Usually, micro-computers are limited by their inability to exchange information. NCR Decision Net allows data to

be shared with up to 16 other micros and resources (not just NCR's) through its Modus resource sharer

As you'd expect from anything that carries the name NCR, the Decision Mate V has an upgradeable storage capacity (from 640Kb to 10Mb). An expandable memory (from 64Kb RAM up to 512Kb) using plug-in

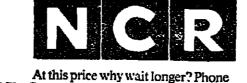
THE NEW NCR DECISION MATE V: A DECISION YOU'LL NEVER REGRET.

capability. A 12-inch high resolution mono/colour VDU. And a local network capability.

Beginning to sound expensive? Wrong. It's a basic working system that includes keyboard, 2 disk drives, processor, VDU and operating software for well under £2,000. (Compare that with the competition).

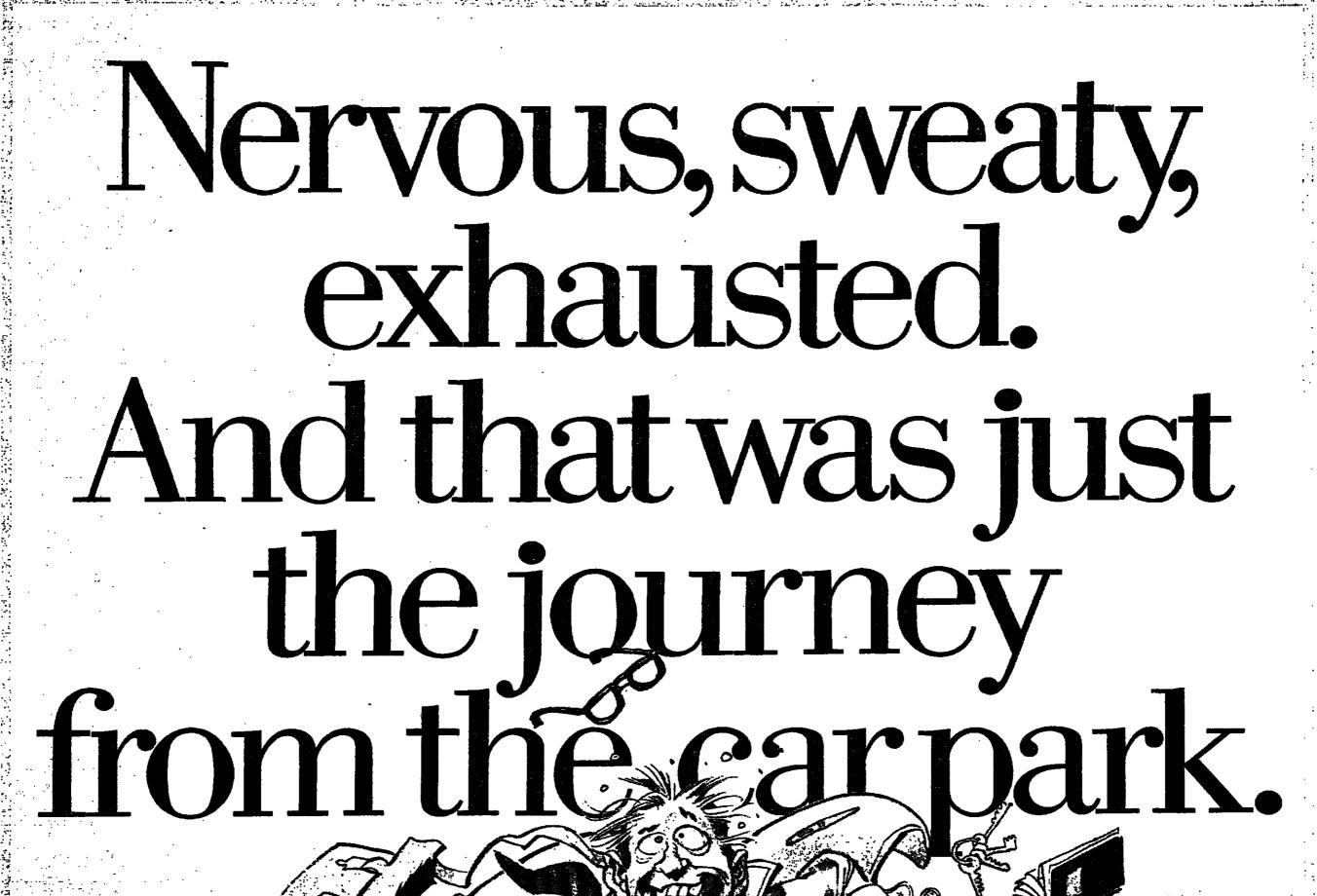
So choose a micro-computer with a handle to its name. It doesn't only reduce computer size.

But cuts the problems down to



Mike Couzens about sales and dealerships now on 01-388 8440. Or write to: NCR Limited, 206 Marylebone Road, London NWI 6LY. Telex: 263 93L





It's true Heathrow has been for all to see and enjoy.

a bit of an obstacle course until recently. Much of the upheaval was

created by the Underground. A station, twin train tunnels and pedestrian subways all had to be excavated and equipped.

The new bus station also caused a few problems. So did the covered walkways we

erected between the Terminals and short term car parks.

Sadly, all was not sweetness and light inside the terminal buildings themselves.

We gave all three major facelifts, reorganising Terminal Two completely.

Try as we might we couldn't help but cause travellers some inconvenience.

We would have done the work outside normal working hours, only Heathrow normally works 24 hours a day. Still, now the dust has settled the improvements are there

> Probably the most impressive is Eurolounge.

A new Satellite Terminal we have built to ease congestion in Terminals One and Two.

It can accommodate up to 8 widebodied aircraft and up to 1200 widebodied passengers an hour.

It will help us keep pace with the growth in air traffic until Terminal Four is completed.

(Relax, the work isn't affecting the central area of the Airport.)

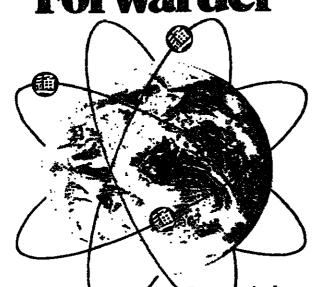
Whether you're a once-a-year flyer or a regular air passenger, take a good look round next time you fly from Heathrow.

You'll find it isn't the airport it used to be.

Airports Heathrow



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CORRECTED NOTICE Due to a misprint this advertisement appeared incorrectly in Friday's Financial Times, where the "earnings excluding surplus on realisation of investments — per share" figure and the "dividends declared" figure, for the six months ended 31.12.81, were transposed. The following is correct:

Johannesburg

(Incorporated in the Republic of South Africa) INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER, 1982

The following are the unaudited consolidated results of	of the Compar	y and its s	ubsidiaries:
	Six months	Six months	Year
	ended 31.12.82 KM's	ended 31.12.81 RM's	ended 30.6.82 RMCs
Profit before taxation	58.4 6.1	62.4 9.0	109.5 14.8
Profit after taxation	52.3	53.4 0.7	94.7 · 0.2
Profit before extraordinary item	53.0	52.7	94.5
Income from investments	6.3	33.3 13.0	64.8 22.8
Surplus on realisation of investments Other net revenue		6.4	6.9
Preference dividends	4.3	4.1	8.4
Profit attributable to ordinary shareholders before extraordinary item	48.7	48.6	86.1 0.5
Profit attributable to ordinary shareholders after extraordinary (tem	48.7 9.5	48.6 9.5	\$5.6 43.8
Retained profit	39.2	39.1	41.8
Net asset value per share (based on market valuations and directors' valuations in respect of unquoted			وحكك
investments) Number of ordinary shares in issue Earnings excluding surplus on realisation of invest-	R180 7.312.800	R140 7,299,600	'R103 7,299,600
ments ——per share	R46.7M 639c	B48.6M 672c	R86.1M 1.189c
Dividends declared	130c	130c	600c
NOTES:		nhaidiamaa	aninas fram

- (1) The decrease in attributable profits from the operating subsidiaries arises from a loss incurred by Lennings Limited after providing for certain abnormal items. It is not anticipated that any further write-offs will be required in the current features.
- (2) In terms of the provisions of the Share Incentive Scheme, as amended, 13,200 ordinary shares were allotted to nominated executives of the Company at the middle market price prevailing on 12th November, 1982.

On behalf of the Board G. H. WADDELL | Directors

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والمرابع المستخدم المستخدم والمستخدم والمستخدم

10th February 1983



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Bad debt provisions 'to cut bank profits by 20%'

BY WILLIAM HALL, BANKING CORRESPONDENT

than doubled to £850m, are expect nance company, has also reported ed to have cut UK bank profits by a poor results. fifth in 1982. Even so, the banks are likely to raise their dividends by

Big Four, will be the first of them to financial difficulties. Stockbrokers on Friday. Stockbrokers estimate been more difficult than ever before that its pre-tax profits will range begiven the uncertainty over bad debt tween £320m and £350m, (against £386m) after taking into account the level of 1982 dividends as a bad debt provisions of around guide to the underlying perfor-

Lloyds Bank International, which has been hard hit by the interna-tional debt crisis, has already re-ported sharply lower profits, and dend by 12 per cent. As the first

The attack is made in a 256-page

The report concludes that "it is

difficult to comprehend the reasons

ing agents prepared by financial an-mance; alysts Financial Intelligence and In an

BY JOHN MOORE, CITY CORRESPONDENT

THE LIMITED amount of disclo- close to their existing or potential

sure made by Lloyd's underwriting underwriting syndicate members

agents to the members of the gross and net premium levels, out-Lloyd's Insurance Market whose af-standing technical reserves, com-

survey of the financial status and cate member's appreciation of sol-

performance of Lloyd's underwrit- vency and underwriting perfor-

for the secrecy of underwriting technical reserve levels and under-agents who have declined to dis-writing results.

fairs they look after, is condemned missions and expenses."

The report stresses the

BAD DEBT provisions which more Lloyds & Scottish, the group's fi-

The stock market is awaiting the results of Lloyds Bank with some nervousness given the extent of its Lloyds Bank, the smallest of the exposure to several countries facing announce its results when it reports say that forecasting 1982 profits has provisions and are concentrating on mance of the banks.

Lloyds Bank, which is forecast to

Lloyd's report attacks 'secrecy'

The report stresses that these de-

tails "are fundamental to a syndi-

In any event, says the study, such information has to be provided for

the underwriters' internal manage-

ment accounts in order to establish

clearing bank to report, analysts will be watching closely to see whether its payout matches market

Barclays Bank is expected to increase its dividend by a fifth, Nat West by 10 per cent and Midland Bank by 2% per cent.

Barclays Bank is expected to show the biggest fall in profits (22 per cent), followed by Midland Bank (19 per cent), NatWest (16 per cent) and Lloyds Bank (14 per cent).

In one of the most outspoken crit-

icisms of Lloyd's business methods

the report says: "Lloyd's may con-

sider that its innovative capacity to-gether with credit reputation for

prompt payments of risks will en-

sure that the international market

will continue to use its services.

However, this will be to no avail if

premium capacity does not grow be-

cause of a paternalistic attitude to-

wards simply rules of disclosure."

In terms of bad debt provisions, Barclays is also expected to lead the group, putting aside £275m. fol-lowed by Lloyds (£197m), and Nat West and Midland (£191m).

Cruise firing would need UK approval, says Heseltine

BY PETER RIDDELL, POLITICAL EDITOR

ing a high profile counter-attack on the unilateral disarmers, in order to regain the political initiative for the

Mrs Margaret Thatcher made the nuclear issue the main theme of her weekend speech to the Young Conservatives' conference in Bournemouth, and even Lord Home, the former Prime Minister, brought out to attack the unilateral-

After last Thursday's vote by the Church of England Synod against unilateralism, ministers clearly feel more confident. Some Tory MPs al-

AN ABSOLUTE assurance that issue. An Opinion Research poll for U.S. cruise missiles could not be yesterday's Weekend World prolaunched from the UK without the gramme confirmed that a majority was given yesterday by Mr Michael
Heseltine, the Defence Secretary.

Senior ministers are serious grained that a majority of the British public opposed the arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against an arrival of cruise in the UK - 47 per cent disapproving against a cruise in the UK - 47 per cent disapproving against a cruise in the UK - 47 per cent disapproving against a cruise in the UK - 47 per cent disapproving against a cruise in the UK - 47 per cent disapproving against a cruise in the UK - 47 per cent disapproving against a cruise in the UK - 47 per cent disapp

cent approving.

Moreover, there is a continued lack of confidence in the Reagan Administration's intentions and bility to deal with world problems.

Mr Heseltine argued that Britain could prohibit the U.S. from Isuaching the missiles on its own initia tive. He said the two bases for the missiles would be jointly operated by the U.S. and UK and any use would involve British person He stressed: "It is not that a Brit-

ish Prime Minister would be put in a position where the weapons could be used without our agreement." Nevertheless, some Tory MPs be-

so occueve the violence of the demonstration against Mr Heseltine in Newbury last Monday has helped them in the propaganda battle.

The possible siting of cruise missiles in Britain remains a sensitive upon the support for joint control. The same poll showed 78 per cent opposition to Britain giving up all nuclear weapons.

William Cook and Sons

duce capacity in the general steel ume, machine-moulded casting. castings sector in Saturday's Finan-cial Times, incorrectly stated that William Cook and Sons (Sheffield)
was not involved in trying to set up a scheme and had no knowledge of was among companies trying to set any such attempts.

A REPORT ABOUT a scheme to re- up a separate scheme for high-vol-

This hardly looks

like the hub of an international financial network.



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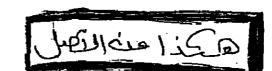
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of 131 mph (assuming you have that much

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THE BMW 628CSI COSTS £18,255. THE BMW 635CSI COSTS £23,410. DOE FUEL CONSUMPTION FIGURES: 628CSI URBAN CYCLE: 19.6 MPG, 56 MPH: 41.5 MPG, 75 MPH: 32.1 MPG, 56 MPH: 41.5 MPG, 75 MPH: 32.5 MPG, PRICES, CORRECT AT TIME OF GOING TO PRESS, THE BMW 635CSI COSTS £23,410. DOE FUEL CONSUMPTION FIGURES: 628CSI URBAN CYCLE: 19.6 MPG, 56 MPH: 41.5 MPG, 75 MPH: 32.5 MPG, PRICES, CORRECT AT TIME OF GOING TO PRESS, THE BMW 635CSI COSTS £23,410. DOE FUEL CONSUMPTION FIGURES: 628CSI URBAN CYCLE: 19.6 MPG, 56 MPH: 41.5 MPG, 75 MPH: 32.5 MPG, PS MPH: 32.5 MPG, PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDING CONSUMPTION FOR TAXABLE SERVICES FOR T

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

W. London

considerable diplomacy.

implications of operating company activities.

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BRITISH AEROSPACE's Bracknell the U.S. and to be developed for Na- called the General Dynamics Team Division (formerly Sperry Gyroscope) has signed a new pact with a group of international companies to The system will have various clude U.S. General Dynamics Pomscope) has signed a new pact with a group of international companies to bid for work on the terminally-guided warhead of the Multiple Launch Rocket System.

The MLRS is an artillery antimated worth many millions of pounds.

The MLRS is an artillery antimated worth many millions of pounds.

Companies grouping together—

Companies grouping together—

Companies companies companies contractor); personnel and anti-tank-mine purposes. The final contract could be worth many millions of pounds.

Companies grouping together—

PRINTING EQUIPMENT MANUFACTURER TRANSFERS PRODUCTION TO GERMANY

Linotype-Paul exports jobs

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

ham-based printing equipment relations.
manufacturer where 500 employees But with face redundancy, has won several Queen's Awards to Industry for technology and export achieve-ment. The Cheltenham works now ring with grim jokes about the company being in line for a further award - for the permanent export

of technology and jobs.
Allied Corporation, Linotype-Paul's U.S. parent company, has decided to stop producing electronic typesetting equipment in the UK and concentrate production at a group company in Germany. The decision has provoked dismay in Cheltenham and angry questions in

Management consultants are being engaged in an attempt to find another electronics-based employer interested in taking over the highlyskilled development and production workforce which Linotype-Paul has created in Cheltenham as a readyassembled team. It is believed that the workers may have several marketable characteristics:

• They have wide experience of modern industrial techniques; Cheltenham is in an area of the country favoured by companies with a new technology base;
Sales of printing equipment have type-Paul will join the British dole queue while recruitment and train-

LINOTYPE-PAUL, the Chelten- excellent reputation for industrial tion, many manufacturers are fac-But while these factors may that the change in the printing in-

prove attractive to another employ- dustry from hot metal to electronic er, they serve to increase the bewil- composing techniques is well adderment in Cheltenham about the vanced. closure decision. Allied intends to transfer manufacture of electronic typesetting machines to the sister company near Frankfurt by the end of this year, though Linotype-Paul will still employ 400 people in the

The decision has led to the resignation of Mr Derek Kyte, a director whose associations with the compawhose associations with the company go back to 1956 – long before it was taken over in the late 1960s by ed assembling its own printed cirthe Ultra Corporations its first U.S. owner. Mr Kyte retired as In a letter to the British Prime Linotype-Paul's technical director Minister protesting the proposed in 1980. He then went to the U.S. to work for the parent company, and has been a Linotype-Paul director

since his return. "Linotype-Paul has an excellent reputation for the development and production of high-technology products," he says. "When I was in the U.S. salesmen thanked Linotype-the U.S. salesmen the U.S. salesmen thanked Linotype-the U.S. salesmen the U.S. sal Paul for enabling them to make

ing relatively slack conditions now

These market conditions compelled Allied to close a U.S. factory last year, and at least some of the Cheltenham workers accept that there may be a case for concentrat-ing European production at one lo-cation. But they do not believe that the case favours the survival of the West German plant, which they say has experience of running only one

closure, the employee consultative committee at the non-union company claims that the Allied decision to transfer production to Germany was taken without consulting either

the 500 workers who face the loss of their jobs as redundant - it maintheir living by developing first-class tains that their jobs are being taken products which they found they from them and placed abroad. The highly-skilled workforce of Lino-

ing for these same positions is con ducted in the U.S. and Germany. Mr Martin Boothman, Linotype Paul managing director, says that the decision to transfer production was made only after very detailed analysis. The German choice tied in with research and development fac-

tant competitor in the electronic typesetting equipment market.

Market projections for the indus try showed no significant signs of overy over the next five years Mr Boothman said. It was recognised that there was not going to be a return to the boom days of the

tors, and concentration there was considered to give the group the best chance of remaining an impor-

Staff at Cheltenham are proud of their technological skills. Linotype-Paul, for instance, developed a computerised typesetting system cap-able of handling the large numbers of characters and symbols in Japanese. This has given the company a high-technology entry point in the

Japanese market.
The employee committee has called upon Allied to reconsider its decision to transfer to West Germany. "Meanwhile, we are not on strike and we are not occupying the works," says Mr Mike Keane, com-

MacGregor likely to be NCB chairman

By John Elliott, industrial Editor

THE Government hopes to finalment of Mr Ian MacGregor as chairman of the National Coal Board within the next iew days.

After eight days of speculation about Mr MacGregor's appoint-ment, minister now consider that a firm decision should be made

The Prime Minister offered him the post informally some time ago, and will be confirmed in a formal offer by Mr Nigel Lawson, Energy Secretary, as soon as Mr MacGregor indicates that he is willing to accept the job, despite the opposition of his wife and family who all live in

Mr MacGregor would succeed Mr Norman Siddall, the present chairman, who retires at the end

Ministers would like to an-nounce the name of Mr MacGregor's soccessor as chairman at the BSC at the same time. But this may not be possible because a firm candidate does not yet ap-pear to have been chosen.







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February 1983

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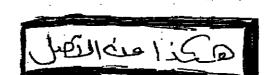
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Financial Times Monday February 14 1983

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[]

SIMULATOR SORTS OUT THE PROBLEMS ON THE L-SAT £160m CONTRACT

British Aerospace tests its satellite creation

satellites tipped gently out of its preordained position and floated away, still in orbit with its attitude control mechanisms useless and inoperative.

Fortunately for British Aerospace—and for the European Space Agency which has placed a f160m contract with BAe for the construction of the new pioneering satellite—the loss of L-Sat 1 was a phantom disaster conjured up in a satellite simu
stationary position above the system (proper name for the system (proper name for the spinning wheels) runs faster until it reaches full during launch and unfuried when the satellite is in position. Then it has to be turned off and restarted from scratch, Gas jets are used to hold the satellite steady during this operation. (In the absence of in the solar wind.

That is the heart of the problem. There is simply no way of mining factor in the life of the the construction of the new pioneering satellite—the loss of L-Sat I was a phantom disaster conjured up in a satellite simulater BAe Dynamics Group is developing to test, as best it can, the orbital behaviour of its most advanced creation.

Silicon

BAe is using a comparatively novel computer system to build and test a mathematical model and test a mathematical model of the satellite during all this? John satel

them into the electricity which of failure).

THE FULL extent of the will power the satellite's comproblem became apparent on munications equipment, the video screen within seconds. These panels are one of the differences in their speeds "The satellite is simply rotating in space now at the mercy of the solar wind" John Pengelly of British Aerospace observed as LSat 1, first of the new generation of the satellite during launch to the satellite is solar wind, the satellite is L-Sat 1, first of the new genera- to the satellite during launch solar wind, the satellite is tion of large communication and only unfolded once the always pushed in the same satellites tipped gently out of its satellite had reached its geo- direction. The zero momentum

can, the orbital behaviour of its most advanced creation.

Silicon

BAe is using a comparatively novel computer system to build and test a mathematical model of L-Sat 1 and its massive 27 metre wide solar array, two huge panels of plastics material faced with silicon which will collect the sun's rays and convert them into the electricity which

Failure to predict accurately satellite behaviour can prove expensive. Customers inevitably expensive. Customers thevitably ask for large financial penalties to be written into the contract to guarantee performance: "If you do not meet the stipulated performance in orbit, you do not get the money," observes Mr John Humby, BAe spokes-

on earth. We use a vibrating table to build up information on

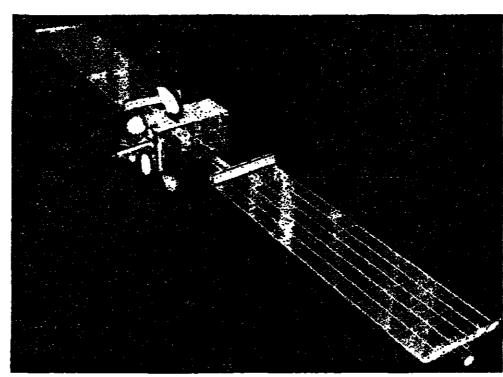
the behaviour of certain parts of the structure but the ulti-mate test is when you have the satellite in orbit and you unfold

Credibility

On a large contract like L-Sat, the cash penalties could be severe, so BAe has an obvious interest in the accuracy of its flight simulations.

Its credibility as a manufacturer of big sateilites would also be at risk—and the market for all sorts of satellites over the next few years looks both lucrative and cut-throat.
Hughes Aircraft is the market leader with, most prob-

market leader with, most pro-ably, more satellites in orbit than its competitors put together. Then there is Euro-satellite (Messerschmitt, ATN, Aerospatiale and Thomson-CSF), Satcom International (Matra, BAe), RCA, Ford and General Electric Company of



An artist's impression of L-Sat, the European large satellite, for which British Aerospace is prime contractor. This European Space Agency project is due for launch in 1986. At launch it will weigh approximately 2,300 kg and will carry an array of solar cells that will generate over 3,500 waits of power. L-Sat will be capable of national, regional or continental direct broadcast TV, and, for husinesses, high speed data, video-phone, video conferencing, computer-to-computer high quality facsimile and slow scan TV.

With the value of the market ing point arithmetic calculations estimated at £5bn between now and the year 2000, and little to choose between the offering of choose between the offering of the choose between the choose and the year 2000, and little to choose between the offerings of the major manufacturers, marketing will be crucial. So an awful lot is hanging on the success of L-Sat, the largest and most powerful satellite ever launched

With so much at stake, BAe have taken a novel approach to their mathematical simulation. The company already has a galaxy of ICL and IBM main-frames which it uses among other things for mathematical simulation and computer aided design. "But the mathematical modelling was not being carried out in real time," Mr Pengelly said: "We could have pro-grammed the mainframes to run the simulation but it would have created chaos. We would

The answer was a U.S. mini-computer, a PDP 11/44 coupled to a special kind of computer dedicated entirely to the performance of floating point arithmetic (computers find it easier to store and manipulate floating point numbers—an example is 1.1123 × 10² rather than 111.23).

The computer, one of the smallest of a family of machines made by a U.S. company, Float-ing Point Systems, is in fact, an array processor, designed to array processor, designed to handle calculations on the large data arrays found in engineering and research applications. It cost about £40,000, which as John Pengelly pointed out, proved a very cost effective way of solving the problem.

an analogue computer or buy an expensive number-cruncher if the Floating Point Systems machine had not been available. "We use a software package called Toast, which is really an optimising Fortran compiler." Fortran is a favourite scientific programming language.

BAe has several FPS machines carrying out a variety of tasks including aircraft, weapon and display calculations, including a twin dome air com-bat simulation (Space Invaders writ very large!).

The test rig for L-Sat 1 is already under construction at BAe, near Stevenage, three years before the proposed years befor launch date.

But even with all the hundreds of millions of floating point calculations that will be carried out on the simulator before then, the designers will have taken a huge chunk of the capacity—perhaps all of it."

So the problem was to find a way of making up to 12m float-

WELDING

EDITED BY ALAN CANE

Electron beam equipment

A NEW high-voltage electron beam welder, with full micro-processor control and a specially-designed electron gun, is announced by Wentgate Engineers.

The new welder offers a
150kV maximum accelerating
voltage with an initial 6.9 kW

maximum beam power. Both the parameters set and the actual parameters during welding are displayed on a VDU and a permanent record of each weld can be obtained by using the optional high-speed analogue recorder.

speed analogue recorder.

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Instruments

Solid state thermometry

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to cover ranges from 0 degrees C to 2,000 degrees C, without the need for contact with the

Moving materials such as continuous casting, float glass, paper, fluids and foods are paper, finids and foods are said to be among the many applications for this high-speed and high-response ins-trument. Prices start below £1,000. More information from: Terry Egan, Unity Power Systems, Legion House, Godstone Road, Kenley, Surrey (tel: 01-668 8251).

Readings

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even moving finid and live
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checked. The device is
powered by a 9v alkaline hattery. Details: Terry Egan at
Unity Power Systems, Legion
House, Godstone Road, Kenley, Surrey (01-668 8251).

Low temperature research

Quiteron device the latest from IBM laboratories

THE LATEST piece of research to come out of the laboratories of IBM is a device called the quiteron. This can perform the same functions of a conventional transistor but at temperatures near absolute zero (that is near 273C).

It is built up of three thin films of superconducting materials separated by two thinner insulating layers. An electric current is supplied to the central superconducting layer which makes that layer near -273C).
At such temperatures conven-

tional silicon transistors cannot operate but the quiteron, as the new IBM device has been dubbed by its inventor, makes use of the superconducting properties of some materials at these very low temperatures.

For its operation the quiteron. as with the more familiar Josephson junction devices, make use of the fact that some metals lost all resistance to the flow of electricity near—273C.

the central superconducting layer which makes that layer unstable and affects the other two superconducting layers in such a way to produce an analagous transistor effect.

The quiteron was developed by Sadeg Faris at Yorktown Heights, one of IBM's pure research laboratories, so it is unlikely that there will be any commercial application of the device in the near future, according to IBM.

ELAINE WILLIAMS

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FINANCIAL TIMES CONFERENCES

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LONDON: 22 & 23 March, 1983

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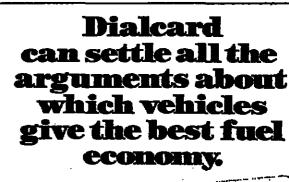
THERE'S NOTHING 3,33,3,3 ABLIND PERSON LIKES BETTER THAN A JOLLY *** **** **GOOD READ**

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Pre-fab investigation starts takes shape on edge

GOVERNMENT revelations of reported in others — results serious defects in a range of from carbonisation and the use and it was, therefore, subject reinforced concrete homes of chlorides in reinforced conrepresent a further setback for the reputation of prefabricated

Carbonisation, defined by the reported in others — results homes protected at the joints and it was, therefore, subject to corrosion at the joints. In the end, the government stiputhe reputation of prefabricated housing in the UK.

The discovery of faults in Orlit houses in Scotland, announced by Mr John Stanley, Minister of Housing and Construction, has sparked off a nationwide investigation which could affect up to 150,000 homes incorporating structural reinforced concrete.

The Building Research Establishment, in co-operation with selected local authorities, will now be conducting an examination of similar housing, of which there are 30 types.

problems could represent "the tip of the iceberg" and the disclosures again highlight the embarrassing and expensive legacy left betrind by earlier prefabricated bousing programmes. Most reinforced concrete homes were built between the wars and in the 1940s and 1950s and were originally designed to provide short-term

The deterioration—confirmed in the case of Orlit and Neither was steel in Airey

destroys the protection which the alkalinky of concrete normally provides for embedded steel reinforcement. The steel is then able to corrode and expand, cracking and spalling the concrete com-

Chlorides, if present in concrete in high concentrations, will corrode the steel directly. Before this was known, says the DoE, calcium chloride was deliberately introduced as an The move was accompanied agent to speed the setting of by warnings from MPs that the the concrete.

The DoE emphasised that the problem with Orlit (9,000 were built in England and Wales, and another 6,000 in Scotland mostly between 1946 and 1955) was not so serious as with Airey homes, in which major faults have already been found. Airey, said the DoE, involved

a more fragile construction than the Orlit design, in which columns were much thicker and embedded in the foundations.

Department of the Environ-homes bought before Septemment as the chemical change in ber 7 last year, the buyer was concrete from alkali to acid, entitled to sell it back to the local council at cost.

> With Orlit and other types-Unity, Cornish Unit and Boot were among those mentioned-Mr Stanley is warming prospec-tive purchasers to "pay par-ticular attention to the condition and durability of the structure before proceeding with the purchase."

The BRE, along with selected local authorities, will be build-ing up a data bank to provide technical information and guidence in this sector of the house market.

Further than that, the DoE thinks that in most cases the deterioration now being re-vealed can be remedied—by the replacement of concrete panels, for example.

With Airey homes there was some danger of houses collapsing. In this case, goes the prognosis, the danger is of columns cracking, subsidence of the structure and pools of rainwater forming on the roof.

for of the Royal Greenwich, says that while Britain has "quite superb" astronomers it has been lacking in adequate optical facilities. According to Prof Boksenberg: La Palma will be the best in the world if I have anything to do with it, and I was now poised, following clearance with the Office of Fair The preliminary investigations of the area revealed the ground conditions to be largely

pressible clay stratas. The contractor, Huarte y Cia, has

sunk 83 x 300 mm diameter end-bearing piles to a depth of 20 metres to the basalt layer to support the massive redesigned for the new 4.2 metre diameter reflecting telescope.

£20m observatory

of extinct volcano

what promises to be one of the

world's best-equipped observa-tories is now well under way

on the rim of an extinct volcano

The £20m project to house the

telescsope for the new inter-

national observatory on La Palma is the result of a pro-gramme of co-operation and

financial support between the

British, Spanish, Swedish, Danish and Dutch governments. The complex, which will rival

any astronomical facilities in

the world, is due to be fully operational in 1986 and will be used by visiting astronomers from all over the world. There are already several other tele-

scopes on the island.

The remote site for the observatory, situated 9,000 feet up the volcano. La Caldera de

Taburiente, was picked by the Royal Greenwich Observatory

for its exceptionally fine weather

Prof. Alec Boksenberg, direc-

The best

in the Canary Islands.

CONSTRUCTION WORK on suitable site and planning the

Vital access

Instrument

This instrument is now being built by Howard Grubb Parsons. Newcastle upon Tyne, and will be one of the largest of its kind operating outside the U.S. and USSR.

The designers for the buildings are Freeman Fox of Lon-don, and their involvement with the observatory stretches back almost ten years, when has agreed to extend publicity financial penalties will comto bring the scheme to the panies which are outside the notice of the public.

Taking, the registrator point
financial penalties will comown regulations are strictly Research Engineering Council to assist them in selecting a they were invited by the Science

SAFETY Non-slip ladder achieves

wide industry approval A SAFETY system which, it is

claimed, makes falling off a ladder almost impossible, is slowly winning acceptance by Britain's professional ladder The Smith Ladder Limpit.

layout of the facilities.
In addition to constructing invented by a former window cleaner Mr David Smith, is now the reinforced concrete build-ings with block infill the conbeing used by the building de-partments of more than 100 tractors have been responsible for the associated services such local authorities since it was as power supplies, lighting and air conditioning, roadworks and standby generator buildings.

launched last March.
In Glasgow, where the local authority bought 20 Limpie kits at a cost of £8,000, Mr Smith believes the resulting savings could be around film a year.

As the host country, the Spanish organisation ECONA With the Limpit, jobs such as replacing guttering on Glasgow tenement buildings can be done constructed the vital access road about 50 km through the with a ladder without a man mountains from the port Santa Cruz de la Palma, so that the having to hold the bottom. Normally such a job would re-quire the erection of scaffolding. continuity of plant, equipment and materials supplies was Since March last year Mr Smith's company in Dundee has maintained to the project. Later this spring the building sold £400,000-worth of Limpit equipment in Britain and also to house the Isaac Newton 2.5 metre reflecting telescope will be commissioned. This instruin Japan, South Africa, Belgium, France, Australia and the U.S. ment was formerly used by the The basic industrial Limpit Royal Greenwich at Herstmon-ceux and has undergone modicosts just under £100.

Based on the simple fulcrum principle, the ladder Limpit consists of an extending tube with tyred wheels which is attached to the end of a ladder.

rine mechanical and Electri-cal contribution represents a substantial part of the project in terms of both design and capital expenditure, and its complexity requires a strict preventative maintenance plan to ensure effective operation. Breakdowns during viewing "We guarantee that properly used the ladder cannot fall, and the man cannot fall off it," says Mr Smith whose prototype con-sisted of an old piece of gas pipe and pram wheels.

The building and construction industry has been slow to take up the device. The reason, Mr Smith believes, is partly because of recession and partly because they have not realised the potential savings involved. One

exception has been Tarmac, which has recommended it to sub-contractors. During the year the Health and Safety Executive decided that a ladder fitted with a Limpit may be accepted as being securely fixed as required

by construction industry regula-

This means. Mr Smith says, that the man holding the bottom of the ladder can go off and do something more productive.
At least one insurance company, Phoenix Assurance, has given discounts of around 15 per cent on employers' liability risk anywhere in premiums for Limpits used in Mr Tye added.

window cleaning.

Mr Richard Graham Yooll, a

director of insurance brokers Graham Fuller Associates, who negotiated the discount, said he hopes the discount will be extended to other uses and other insurance companies.

William Press Group, Tel 01-353 5544

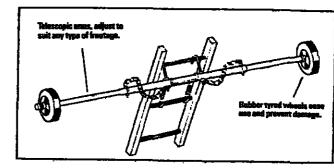
Engineering contractors to the

oil, gas, chemical, process and power generation industries.

Mr James Tye, director general of the British Safety Council, who weighs 15 stone, is convinced of the stability of the system. "I climbed up and was amazed at the way the ladder stuck to the wall " said Mr Tye, who has recommended its use at the 85,000 premises covered by British Council membership.

" As the Limpit is now available it is in my view unneces-sary for ladder users to be at risk anywhere in Great Britain,"

RAYMOND SNODDY



Warranty scheme makes impact

THERE ARE now local authorities requiring a builder to be the Registration Board is giving a member of the Federation of Master Builders warranty scheme as a contract condition any peirod from two to three for home improvement grant years.

Board of the National Register of Warranted Builders to recommend that the scheme, launched in October 1980, be opened up to enable any builder to register provided the strict entrance criteria are observed. The upper limit for work under the warranty scheme has ben increased to £30,000, with the special arrangements for

work above that amount continuing.
Following discussions at the Federation of Master Builders ployers.

The standard of Builders ployers ployers.

Mr Fordy, speaking at the proval of the Office of Fair campaign—Site Safe 83—said rading, the Registration Board

Tracing, to widen its influence, with the object of benefiting the customer and improving the image of the contractor.

Mr Charles Fisk, chairman of This has led the Registration the Board, said that the scheme

Punish unsafe builders

"COWBOY" FIRMS which into line." ignore health and safety regulations and undermine the construction industry's safety re-cord should be heavily fined according to Mr Malcolm Fordy, president of the National Federation of Building Trades Em-

that "only by imposing heavy

He urged the Health and Safety Executive to take action against "cowboy" firms which, by ignoring safety regulations, were able to undercut the tenders of bona fide construction

companies. " In the interest of construction employees and of the industry as a whole we are ask-ing the Health and Safety Executive to make sure that their

Special treatment

The extremes of temperature and humidity in the area have required special treatments of the exterior and interior of the port the massive re-concrete foundations heat gain. Outside the build-for the new 4.2 metre ings are clad in steel panels and fixed with a 1 metre air gap to aid the cooling process.

Breakdowns during viewing time would be extremely costly in programme and labour.

fications, by Grubb Parsons, to suit the different latitude of

the new observatory.

The Mechanical and Electric

Extensive room insulation resist and delay heat transfer. The Coude Laboratories into which the telescope light beam is projected for analysis and measurement, must be maintained within a 0.5 deg C variation in a 24-hour period and air moisture coutent must be at a low level to prevent condensa-tion occurring on the mirrors, lenses or within the high precision measuring instruments.

CONTRACTS

McAlpine builds £6.8m City offices

Work begins this month on the acute medical and surgical ser- will be cleaned, fire precautions construction of an officeb lock in King William Street, London, under a £6.8m contract awarded to SIR ROBERT MCALPINE & SONS by John Swire & Co. The 30-metres high structure is to incorporate the facade of the building previously occupying the 621 sq metres site and will offer 5,500 sq metres of floor space. Fully air conditioned and centrally heated the building will be result from the second business of the second busi

ing for more than 120 cars.

acute medical and surgical service as well as facilities for day surgery. There will be three operating theatres, one designated for heart surgery. Other facilities include a pathology laboratory, pharmacy, physiotherapy gymnasium, X-ray and consulting rooms for outpatients. Provision is also made for parking for more than 120 cars.

Refurbishing one of the Royal FRENCH KIER CONSTRUCbe served by one goods and three
passenger lifts. Completion is
programmed for November 1984.

Work is about to start on the
More to start on the
HENDERD CONSTRUCTURE TOWN, a member of the French
Contract for the Construction
Contract for the French
Contract for the Construction
Contrac work is about to start on the TION under a contract worth Civil Aviation Authority. The farm must be at a fam 100-bed hospital which HCA for the Department of the contract, valued at £360,000, includes on the mirrors, thin the high precing instruments.

JEAN BENNETT

Work is about to start on the TION under a contract worth Civil Aviation Authority. The fam for the Department of the contract, valued at £360,000, includes the construction of spur and access roads, drainage and refusion instruments.

JEAN BENNETT

The hospital which HCA fil.9m, for the Department of the contract, valued at £360,000, includes the construction of spur and access roads, drainage and service ducts. Services comprise dows and mechanical and election, alarm and fire the hospital will provide a full works to the roofs. Stopework fighting and intruder alarm.

neezing heat from thin air.

Constantly improving a hot idea.

Because of skyrocketing energy costs, the world is facing a need for conservation. This problem has been compounded by an increase in home heating requirements. The innovative technology of the Hitachi-built heat pump has been providing part of the solution for over 20 years.

A heat pump works on the basic

principle that a gas when compressed generates heat. The heat pump system absorbs the "heat" from the outside air. Incredibly enough. for use within the heat pump, there is "heat" in the outside 🕢 air even when temperatures go as low as -7°C. The system figuratively squeezes heat out of thin air. As remarkable as it may seem, a heat pump system is also capable of running in reverse, creating cool air for air conditioning.

Heat pumps have become an increasingly important form of home heating because their high efficiency con serves energy. Heat pumps can draw

Heat Pump System (Very hot)

approximately three or more times the heat than the electricity they consume. Heat pumps operate without fire or exhaust gas, resulting in safe operation. Because the same heat pump works as both a heating and cooling device, substantial space savings can be realized.

The mark of a corporation's true commitment to high technology is its

drive not only to provide new products, but its desire to consistently enhance existing ones as well. Ever since Hitachi

first commercially introduced their heat pumps in 1963, there have been constant improvements due to their intensive research efforts. Hitachi's over 50 years' experience in heat exchange technology has made available numerous improvements to their original heat pump. State of the art innovations such as the Hitachi High Efficiency Fin (HHEF) and Thermoexcel have succeeded in making an already energy efficient source, even

more of a power miser. Hitachi is proud of its energy efficient heat pumps. It is but a small part of the total Hitachi commitment to improving people's lives through technology.

Hitachi offers a wide-ranging product mix - from power generation and transmission equipment, including nuclear power plants, to rolling stock, home appliances, computers, communications equipment, and electronics products.

Throughout its more than 70-year history, Hitachi, Ltd. has consistently believed that research and development is the truest base for the growth of a company. To implement this philosophy, Hitachi maintains six research laboratories, which are

engaged in R&D programs covering a wide range of fields.

The same technological innovation used to build energy efficient heat pumps goes into every product Hitachi makes. Taken as a whole, Hitachi's more than 20,000 products constitute a total technological system which meets a wide variety of human and social needs.

Hitachi has a lot of hot ideas.

Hitachi High Efficiency Fin (HHEF)

The Hitachi High Efficiency Fin (HHEF) is a heat transfer element that has been developed to improve heat transfer performance. HHEF sets many small, upwardly-convex louver strips against the air stream. These convex louver strips prevent the development of a boundary layer flow in the air stream, and can promote the mixing of such a flow with the free stream.

The heat transfer coefficient of HHEF is 70% higher than that of conventional wavy fins. HHEF values



are 40% higher for pressure drop than those of wavy fins,

The Hitachi High Efficiency Fin.



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A World Leader in Technology

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THE MANAGEMENT PAGE

DR CARL PINFOLD is well aware that the initial letters of his new company, Merseyside Acoustic Developments, spell out the word MAD. Indeed, he chose the name with great care: who, but someone who knew what he was doing, would dream up such an acronym.

Nevertheless, many may feel that it is apt. For, over the past four years, Pinfold has been developing a new type of been developing a new type of hi-fi loudspeaker. It has been patented for him by his employer, Liverpool University, employer, Liverpool University, acting as agent, and has just gone into production in MAD's one-room factory at the Mersey-side Innovation Centre.

But if it seems mad to try to break into a tough, established market with a revolutional statement of the stablished market with a revolutional statement of the stablished market with a revolutional statement of the stable sta

nined market with a testing the tionary product, it could be seen as equally unwise for Pinfold to do so on the brink of retirement from his job as the university's senior lecturer in architecture. At 63 he must be one of the oldest of Britain's

new entrepreneurs.

He does not need to make a living so why, as people keep asking him, is he going into the stressful and demanding world of company creation—and risk-ing in the venture the retire-ment lump sum he will get from the university pension

fund? He answers: "Reluctantly, l came to the conclusion that if this thing was to see the light of day. I had no choice but to try to produce it myself. I have tried to sell the invention to the big manufacturers, but they

don't want it." He did actually have an offer from one large maker of loud-speakers, but it was derisory. His suspicion is that the manu-facturer wanted to buy Pinfold's concept to suppress it. "They are tooled up for volume production of something different and they want to keep things that way," he says.

What Pinfold has done has been to design a small loud-speaker with a single drive unit that covers what he believes is enough of the frequency range to satisfy most requirements. It will not appeal to anyone who wants to shake the house or neighbourhood with heavy rock music. But most people use only between one-half and two watts of power per loudspeaker, even though each may have been designed with multi-drive units to cover the entire audible frequency range.
The quality and clarity of
Pinfold's speakers are startling
when first heard and sound can fill the room without making reasonable normal conversation impossible. He says their quali-



Carl Pinfold: both mad about acoustics

Gambling a pension on a hi-fi invention

Ian Hamilton Fazey explains why an academic is becoming an entrepreneur

ing in environmental science and acoustics. He needed to be and acoustics. He needed to be able to record a wide range of traffic noise and reproduce it accurately so that new designs of windows could be tested for sound-proofing under laboratory

Thus his loudspeakers had to deliver the true sound, at the right volume, of, say, traffic on a major road 100 feet away, or a motorway a quarter of a mile off, or a juggernaut rumbling through a village in Kent. Nothing he could buy produced a satisfactory degree of control.

His design, which understandaby he does not discisse too much about uses a plastic laminate for a diaphragm, which itself is a major innovation. Instead of a conventional trumpet-like cone with a circu-lar cross-section. Pinfold's dia-phragm is a flat cigar shape in

because of research and teach- drive unit speakers marketed previously by Jordan and Low-ther, two hi-fi manufacturers, but says that even the later of them is an expensive 25-year-old design requiring large boxes to house it and which has appealed only to enthusiasts.

Pinfold's speakers need only small boxes made not of laminates or chipboard, which usually resonate, but "dead" material -Italian ceramic tiles lined with cork.

The new speakers go on the market next month in a delib-erately slow build-up of production and sales, using the hi-fi press to reach enthusiasts first. Pinfold hopes the good news will spread by word of mouth. The build-up is cautious to ensure smooth transition from prototype to pre-production model to production model and all the work is being done by

designing schools for Cheshire County Council.

As production expands, the Pinfolds intend to take on more young unemployed people; indeed, another major reason for setting up was to create work on Merseyside. Start-up funds came from

£6,000 borrowed from their bank; Pinfold's retirement lump sum will cover most of it if anything goes wrong. Berry Pinfold says: "We have had to use much of the money on components because no one gives you credit until you are established, but it's quite sufficient to get going."

Merseyside County Council's general development office is

economic development office is also putting up £8,000 in grants and loans, to be paid as MAD starts to prove itself.

starts to prove itself.

There was an opportunity to achieve faster take-off with backing from an investment institution. But Pinfold, who advertises his personal convictions with a CND badge pinned half-way down his lapel and directly over his heart, says: "As far as I was con-cerned he was the unacceptable face of capitalism. He first annoyed me by taking over someone else's desk and office in the innovation centre as though he owned the place and then treating me like a school-

boy.
"Then he wanted us to spend months and thousands on market research, to hire salesmen and go quickly into a much bigger rate of expansion than we intended. On top of that he wanted quite a big share in return for doing very little. I told him what to do with his

Pinfold says a pair of his speakers will cost no more than £300 a pair (though he would like to be able to sell at about £250) which, he believes, will generate good sales among hish enthusiasts. His first-year pro-duction target is up to 20 pairs of speakers a month and wants to be able to take £10,000 out of the business for himself and his

Longer term, he would like to sell out, not because he doesn't find the venture exciting "but I'm only doing this to get my speakers on to the market and create jobs. When I sell out it will be on condition that any production that any production that any production that say production that any production that say production that any production that are production to the say production to the say production to the say that the say production to the say that th that any production takes place on Merseyside. Then I can get on with more ideas for MAD."

These include a demountable temporary concert hall that can be erected inside any large building. A major orchestra is to try out a prototype soon in a cavernous sports hall. A glint comes into Pinfold's eye as he impossible. He says their qualities become even more apparent when four of them are used in a quadrophonic system.

Pinfold became interested in high-fidelity sound reproduction lar cross-section, Pinfold's diaphragm is a flat cigar shape in a young employee taken from the long Liverpool dole queue, and Pinfold's partner, his wife talks about it, not the glint of madness, but of another good idea that it has taken recession been two high-quality single from her job as an architect academia.

A banana skin career path

Carla Rapoport profiles BP Chemicals' Robert Horton

THE MANAGEMENT tenets in London and Europe. Coin-need to build up British indus- cidental with his own rise within used to build up British industry simply don't apply to cutting it down. Most of the men who matured on expanding budgets have been slow to cope with austerity, often massing that better times lay just ahead.

The middle rungs of management are now filling up with men who've cut their teeth on bad times, who've earned their stripes by curting back at the right time. Most of them are tougher, blunter and a bit meaner than their predecessors—but most of them are also more articulate, better educated and more in touch with the world outside their offices.

Robert Horton, managing director of BP Chemicals, a division of British Petroleum, is in this group. Aged 44, he's climbed the ranks at BP with agility, earning a reputation as a doer, even if the doing was simply undoing a lot of what was done before.

Now head of a division which is deeply in the red, Horton is facing the toughest challenge of his career. Many at BP say if he can make the cuts and changes necessary to bring the division back to profitability, he'll be an irresistible candidate for the chairmanship of Britain's largest company.

Horton claims that he hasn't considered the possibility_of becoming chairman of BP. The modesty doesn't become him. He does admit that he seriously considered becoming a politician when he was younger and worked actively for the Tory party in the 1960s. His apprenticeship in politics clearly stands him in good stead when he's faced with leading ques-

On most other topics, Horton is expansive. He gesticulates generously and moves about his spacious office in Belgrave House in an energetic, not nervous, manner. He enjoys the self-confidence of a man who's known all along that he would succeed. So far, his record has matched his ambitions.

The son and grandson of men in the timber business, Horton was educated at King's School, Canterbury and earned a degree in mechanical engineering from St Andrew's University. He attended St Andrew's with the aid of a full grant from BP and attended St Andrew's with the appening? People have stopped the deed.

Aid of a full grant from BP and buying chemicals'."

For his part, he has no is apparent to anyone who's joined the company in 1957.

Wolumes soon collapsed, intention of losing his head, spent some time with the man prompting companies to cut He's optimistic about his he's an optimist with a very supply, planning and marketing prices. Then naphtha prices went chances for bringing the buoyant grin.

the company was the advancement of the computer as a management tool. "It was an im-mensely useful time to come in -and there was a group of young men analysing the oil industry using quantitative methods for the first time," he says. This helped to change the industry dramatically, taking it from seat-of-the-pants decisionmaking to the more detached long-range planning methods.
At 30, "the best thing to happen in my life" befell him. He left BP for a year to ottend MIT in Boston as a Sloan Fel-

He enjoyed the informal atmosphere of Boston and his programme, soaking up programme, soaking up conversations with Nobel prizewinners, top U.S. business executives and politicians as part of the curriculum. He also scaked up some American management techniques.

"Americans have a greater degree of objectivity and much less attachment to the soft con-siderations like 'We've been in this business a long time, so let's stay in it."

"Americans also have a greater degree of honesty about business conditions and are more rapidly adaptable," he says. Criticisms of Americans? They work too hard, he says, but admits to putting in 60 and 70-hour weeks himself.

Happy days

After returning to the UK, Horton worked in Europe for BP's downstream operations and in 1975 he was made general manager of the BP Tanker company. While there, he helped negotiate important cutbacks in the fleet. In 1976, he began a two-year stretch in corporate planning and in 1978 he was moved to BP Chemicals. He was general manager of the division by 1980.

"Those were still happy days." he says of his first year at BP Chemicals. In 1979, the division made £75m profit. Then, in April 1980, the industry fell off a cliff.

"It was like Armageddon," he says. "I remember somebody rushing into my office and saying 'Do you realise what is happening? People have stopped



Trever Numphries

up in line with oil prices and the industry was caught in an exeruciating squeeze.

By the end of 1980, the division had racked up losses of over £130m and BP Chemicals was well into its programme of rationalisation. Today, the division is like an "after" picture in an advertisement for

diet pills.
From its peak of more than
17,000 employees in 1978, BP Chemicals is now down to around 11,000. The list of plant closures is extensive, including facilities in Grangemouth, Stroud. Hythe and Sandbatch as well as France and Germany. The company has cut out entire product lines, notably polyvinyl chloride (PVC), the versatile plastic used in both the home

plastic used in both the nome and industry.

What's left is now running at almost full capacity, with some help accruing to volumes from sterling's decline against the D-mark. Profitability is still guite another matter however. quite another matter, however. Horton admits that this is the year in which he has to produce the goods. Observers view his current position as a sort of glorified test with the banana skins stretching from his desk to the door. Cynics say that Horton should continue rising even if he has to shut the division down—the crucial factor would be how well he did

Teamwork for

division round this year, but says that this depends or cetting prices up and a good recovery in margins. If that doesn't happen, he'll continue to rely on his favourite management tool—the blunt truth.

tool—the blunt truth.

"I believe passionately in telling the truth, even if it's painful. I've always had the idea that if you tell someone the truth, they can understand what's happening."

Like any successful man, Horton has many admirers and detractors. One of his big admirers is Christopher Laid.

detractors. One of his big admirers is Christopher Laidlaw, now chairman of ICL and formerly with BP for 23 years. They still work together, as Horton is on ICL's board.

"Like me, he believed that too much time was spent contemplating their navels at BP." says Laidlaw. "It is easy to get sucked into a sort of monochrome at BP—if it doesn't interest BP Chemicals, then it doesn't interest me. Rob is not doesn't interest me. Rob is not like that."

Impatient

His detractors also admire his success at BP but doubt whether he can ever hope to become chairman of the company. "He keeps switching around the com-pany," says a former colleague who now works in the City, "You cannot sort out BP Chemicals in two years - it's a six or seven year job. Will he stick with it? If he keeps working himself around the com-pany, he'll work himself out of a job."

Horton himself backs up his

critics on one point — he tends to make decisions without much internal consultation. "I'm impatient. I've got to balance the belief that the British use endless rounds of committees as a substitute for management with the alternate belief that there may be another point of view

from mine." In December, Horton became chairman of the Chemical Industries Association, an appoint-ment which no doubt means more meetings but also means the consolidation of his position within the industry.
But if the chemical division

at BP is beyond the means of an ordinary mortal to sort out, would Horlon go down with his

His answer to such a question

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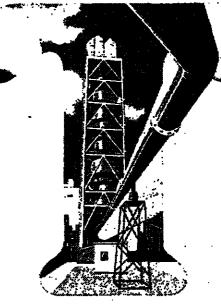
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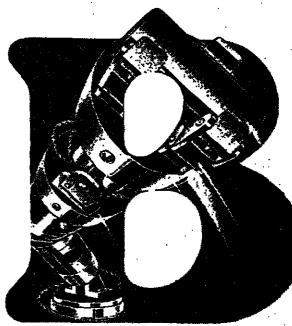


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THE ARTS

Noises Off/Savoy

Michael Coveney

Michael Frayn's brilliant

STOPHER LE

impatient

Lyric. Hammersmith, a year ago, Mr Frayn and his director, Michael Blakemore, have done a lot of work to improve the third act, which was then a rather limp Pirandellian climbdown from the glorious excesses of the middle act. In fact, the director's contribution is as important an element here as in those 1960s combinations of John Dexter with Shaffer and prises in the capital. How they Lindsay Anderson with David supstain the pressure, cope with Storey. The other remarkable all the props and execute the feature of the show is that the myrtad pratials, stunned en-

less actor. A second-rate touring company is on the road with Super-Mare. A month later, a matinee in Goole is in progress as the backstage shenanigans assume the farcical proportions of the desided onstage genre. And, now, in the third act, the two words collide in hysterical nemesis. "It's like a battlefield out there" is a remark commenting on backstage reality, not onstage disaster.

play, triumphantiy ensconced at the Savoy, is the funniest farce of our day. You have to go right back to Peter Shaffer's sheet the savoy to find anything approaching it, and it is set fair to take its place alongside Ratigan's Harlequinade and Philip King's See How They Run in a probably drunk old timer. And the flash point of farcical mistage was converted to the flash point of farcical mistage. At first, as we get to know play, triumphantly ensconced at the characters, the problems in-the Savoy, is the funniest farce volve the removal from the stage as second understudy to the

reat English farce tradition.

Since it first opened at the hap is achieved when the "dolly yric. Hammersmith, a year bird" actress loses left lens.

So, Mr Frayn and his director, Mr Blakemore have done. r Sublime ballet (later reprised) as the company search furniture and footwear for the offending Optic.

The agility, skill and inspired timing of this company places it in the forefront of all cur-rently available ensemble entermanagement have replaced the original cast with one that is, in my view, vastly superior.

The door dividing the theatre and life is kept wide open except when the knob has fallen off in the hand of a hapless actor. A second-rate tour-Drake, as the gossipy, winking trouble-stirrer, is now the show's engine room. But John Quayle's performance, which includes some amazing shuffles, bounds ing On." We first see them fialing around in the last stages of and leaps, incorporates that essential spirit of bemusement essential spirit of bemusement in the last stages of an deeps, incorporates that descending on people raught in the crossire of theatrical reality and mundane illusian. We are concerned about these idiotic people because we see them subjected to the appalling demands

Benjamin Whitrow is now the

Care/Theatre Upstairs, Royal Court

Rosalind Carne

Arthur Bliss/Wigmore Hall

Max Loppert

The seventh instalment in culate charge of the enlarged of Rout is made to sing as natur-

this season's Nash Ensemble chamber groups, Elizabeth Gale ally, and nearly as comprehen-

of the strong points of Ravel's writing for comparable vocal-

instrumental forces in no way

conceals a vein of melodic in-vention which the ear immedi-ately deems "English," and

which warmly furnishes even

the five miniatures on Chinese poems. Miss Gale delivered

their better-known companion-

with tone ever more firmly

placed; it is now clear that their timeless charm lies not so much

framed by Mozart's Adaglo and Rondo and Clarinet Quinter, served to leave several valuable reminders — and the durability of Bliss's best music was not the least important of them.

in their modernist sympathies— all or mese works the mastery of Bliss's craftsmanship and the unmistakeable authority of his speaking voice supply a comble lyricisms with a pleasing mon factor, as did the smooth sense of the absurd in plays yet sheety quality of the excellent Nash playing.

"English Music 1900-1935" sang The Women of Yuch sibly, as a nursery rhyme. (1923), the "witchery song" Madam Noy (1918), and Rout song compositions for soprano of the casy assimilation mature compositional

Parents who keep their infant the background to such beinous children in black holes under crimes, it is the questionable the stairs need to have their assumption that lack of intelli-

the stairs need to have their heads examined. How extragence and education have a gence and education have a casual connection with lack of Mitchell's first stage play manages to take up this horrifying subject without taking up cruel. Barely house-trained, he is principle challenge — the psychological explanation.

After two hours of marital scrapping we are no wiser, and the kitchen floor and dumps his half-eaten breakfast in the scrapping we are no wiser, and the used tea-bags. His pea-

panic and despair.

vengeances. Instead, he endi burglar. While the tremendous complications of the second act may leave us apxious to know how the various love affairs and traumas are resolved, the conclusion is now one of blithe confusion, although we are left in no doubt as to how each character on the stage feels

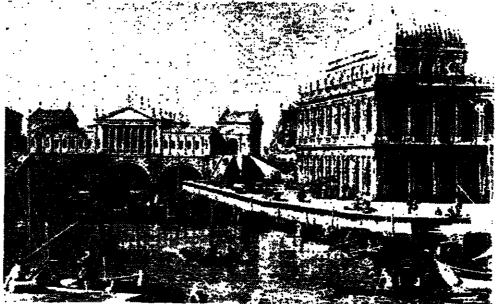
about his colleagues.

The play, felicitous and adrolt in the extreme, also manages to be an affectionate tribute to a vanished era of theatre while mercilessly satirising its manners. The language of theatre folk, their dedica-tion and their innocence, is gloriously mocked. The pro-gramme - within - a - programme presumably scripted by Mr Frayn himself, at last justifies the price called by the usher, and the third act grimacing of Phyllida Law as the actress whose idea started the whole thing is one of the priceless treasures of the contemporary

Glyn Grain, Mandy Perryment, Robert Flemyng (what a marvellous old relie!). Robert Bathurst, and Mary Chilton are all absolutely superb. The problem powers of the shellows of the control of the shellows of the shellows. lem now is the challenge of maintaining this production in prime condition for the length of its no doubt interminable run. For this extraordinary exercise in the atrical fasco can only appropriate the conditions of the conditions of the challenge of the challe only prosper in conditions of undivided attention and vigilance. I might add that, on Friday night, for the second time in a month, I laughed until I cried. And, as you no doubt director, and the role is no know by now, I'm a dry and longer the prey of post-morten demanding young stick.

apelike and gormless, she fret-ful perpetually harassed, and

stage.



Canaletto's Capriccio of Venice inspires the new architecture of Aldo Rossi at the ICA, London

Architecture Colin Amery

Mr King's good intentions

was the occasion of Mr August Hardward Francisco of Mr King's coming-out party — his Particular and romanuc regions. firs speech on the subject of art approaches are in. At least that's the theory. and architecture as the new Secretary of State for the Environment.

He chose the excellent open-ing exhibition at the Institute of Contemporary Arts, where a season has begun on the vital theme of Art and Architecture, to declare his interest in an in-evitably anodyne fashion that good art and good architecture were a Good Thing and that we

should have more of them.

Winisters seldom speak with passion about anything other than politics and it is some-thing of a triumph to hear the words art and architecture fall from their lips at all. Mr King is a more reflective man than his predecessor and it is to be hoped his enthusiasm for com-

ful perpetually harassed, and emotionally and physically deprived. There are some lively, fairly irrelevant, exchanges with the nosy neighbours, and Jane Galloway is particularly good as the well-meaning, meddlesome, Cathy. They chatter on about football, TV commercials, cups of tea and Terry's headaches, a routine slice of dreary lives, bearing no noticeable dramatic relationpetitions will be controlled.

He promised the profession that the government would continue to encourage more com-petitions — please Mr King get the rules straight before you go any further. The developers and After two hours of marital strapping we are no wiser, and what happens at the end could just as well have bappened at the beginning. There is not even an attempt to exploit the Hammer-style shock potential, apart from one worrying moment when an innocent visitor hovers dangerously near the cupboard.

If we learn anything about his half-eaten breakfast in the commercials, cups of tea and living room grate, along with the used tea-bags. His pealize of derary lives, bearing no noticeable dramatic relationship to the subtextual story of human brutality.

Antonia Bird is the director, and she should at least be applicated for successfully creating an amosphere. For a can to this nasty pair, he surly, intellectual poverty. the bankers looked happy because in a remarkable piece of sponsorship more than 60 firms under the genial eye of Mr Stuart Lipton of Greycoat City Offices have made possible this season of architectural ex-hibitions that will run at the ICA in London until May.

the auguries are good. What about the first exhibitions? Until February 20 Ten New Buildings and the work of the Italian architect Aldo Rossi minate with an exhibition in May of contemporary British architecture called Model

Futures.
The ten architects selected to show their work in the form of models and photographs come from Switzerland, Peru, Spain, Canada, Austria, Japan, West Germany, America, Portugal and England.

James Stirling is the only English architect represented and he is showing the almost completed extension to the Staatsgalerie in Stuttgart. This scheme won an international competition in 1977 and it is an addition to the Neo-Classical gallery that was built in 1837. It has been chosen by the organisers because, like every-thing in the exhibition, it indicates a way forward for archi-

What this means to the man the Royal Shakespeare Company in the street is that new buildings will in future acknowledge first middle-scale dance tour their neighbours, respond to the supported by the Arts Council

son, Debussy (Mon). Theatre de FAthenee (7426727). Gidon Kremer, violin, Andras Schiff,

Ensemble Orchestral de Paris con ducted by Jean-Francois Paillard, Andre Bernard, trumpet, Pierre Roullier, Bernard Chapran, flutes,

Daniel Arrignon - oboe: Telemanı (Tue) Salle Gaveau (563 2030)

Alfred Brendel, piano: Beethoven so natas (Tue) Salle Pievel (5638873).

Jon Vickers with Geoffrey Parsons, pi-ano: Schubert's Winterreise (Wed).

BRUSSELS

VIENNA

Musikverein (658190) Küchl Quartet.

Haydn (Mon); Vienna Symphon Orchestra. Conductor Eduardo Ma

ta. Beethoven, Wagner and Stra-vinsky (Wed and Thur).

vinsky (Wed and Thur).

Konzerthans (72 1211): Haydn Trio.
Schubert and Brahms (Mon); ORF
Symphony Orchestra, Conductor
Erich Bergel, Bruckner. (Thur).
Linz Brucknerhalle, Peter Schreier,
Lieder recital, piano Eric Werba

(Thur) Brahms and Schumann.

(7234777)

eatre des Champs Elysee

Champs Elysees (7234777).

The Minister looked benigo and interested. The developers, lawyers and bankers beamed in a brotherly fashion as though that has blighted most European the result looks like a dogs of the looks lik all were sharing a secret. It cities since the war. Universal, was the occasion of Mr Torn functional approaches are out.

> James Stirling's museum in Stuttgart looks like a 19th cen-tury view of what a museum should be. It has a pomposity and weight of form and materials, that springs from the formality of its planning.

> It is interesting to compare Stirling's museum with the entry by the Viennese architect Hans Hollein of his museum at Mönchengladbach. Both share a monumental complexity as the basis of their designs. Both attempt to incorporate elements of the townscape into the whole site of the museums in a kind of informal collage. Both buildings seem to me to enshrine a kind of urban hostility partly because they so determinedly ignore nature and partly because they

are so manifestly concerned with the private theories of the architects. It is precisely these initial difficulties that makes both museums worth exploring. Why in the end are they so visually unappealing? The Tsukaba Civic Centre by the leading Japanese architect

Arata Isozaki is an amazing mixture of European and Japanese elements. It has a sunken plaza at its centre that has grown from Michaelangelo's Capitol in Rome. It is a great contrast to the rather dull exercises by Josef Kleihues for the town centre of Wulfen in West I liked the modest restaurant

by Clotet and Tusquets on the hills of Barcelona built, according to the architects, "not to frighten the customers." More frightening because of its almost unbearable pretension is Frank Gehry's Loyola Law School in (where else?) Los Angeles. It is full of his usual

dinner and the trendy American critics sniff them up and down and applaud them. I always think Mr Gehry must be almost dying of laughter—or can he be sprious? be serious?

There is a lot missing from this exhibition. Where are the younger architects who are not members of the international architects' circus? Where are those architects who understand landscape and nature? Why do we only see the architects who are always in the architectural magazines? Does it work as an exhibition that the public will enjoy? I am not sure that the rather straight presentation is enough—all the time you want to know why the architect has done something one way rather than another—and the display

doesn't answer you. The Aldo Rossi show is in its rine Aldo Rossi show is in its simple way more comprehensible; he is an artist working out his fantasies in architecture. If you understand the fairly simple and ordered vision Rossi offers and are not bothered by its stagnant nature this clear show offers you his work on a plate. Analogue and typology resonate through a limited visual vocabulary — my worry is that his built work simply cannot bear the weight of his

theory. The ICA offers an excellent it will be more original in future and take a few risks in presentation as well as ideas. As the first toe in the cloudy international waters that have been much trodden by others abroad it is. in a typically British way, late but in earnest.

At the Heinz Gallery, 21 Portman Square London W. there is one more week of the Victorian Society Exhibition — an enthralling account of the most active years of this con-servation society.

Arts Council spring touring, 1983

in April; Bristol Express and co-ordina Channel Theatre Company on Council. tecture. The way forward Channel Theatre Company on favoured is known as "contextualism."

April: Distoit Express and the return of their first Arts Company on the company of the

A three-week first visit by by London City Ballet, and a English National Opera to the first appearance by Northern recently opened Plymouth Ballet Theatre at the new Dern-Theatre Royal, in May-June; the return of Kent Opera to the among the highlights of the re-furbished Theatre Royal Bath spring touring subsidised and

Tosca/Covent Garden

David Murray

ingenious touches (most of them evident first time round): either the opera is potently histrionic and harrowing, or it is really nothing at all. Saturday's performance, the three-

manded at the Royal Opers, was quite good.

The "ZeffireHi" production is now efficiently staged by Sleven Pimlott, and Renzo Mongiardino's sets are still bold, handsome and well lit. There is a first-rate new conductor, Garcia Navarro, who balances the first-rate new conductor, Garcia Navarro, who balances the score scrupulously and shapes each successive event with a sure hard (there was unusual urgency in the first part of the Tosca-Scarpia confrontation, and it sounded absolutely right). The smaller roles are soundly filled, including a very dignified figuitive from Richard Van Allan though I facey that Van Allan, though I fancy that Puccini expected a more heart-

Ideally, everybody should see else. He sang with unfailing good Tosca brilliantly performed taste and never looked anyone once, and never again. It would straight in the eye, which sugbe an indelible experience, and we should reminisce about it a and evasive than revolutionary that it revolution and evasive than revolutionary. lot; but it wouldn't clutter up commitment. "E lucevan le the repertoire. Average-to-good stelle" was honestly moving; in Toscas are at best unedifying, the earlier acts one missed any despite Puccint's innumerable ardent thrust in the voice. Kari ardent thrust in the voice. Kari Nurmela's Scarpia is plainly conceived, decently effective, too anxiously forceful at climaxes to register full malescent is really nothing at all. Saturday's performance, the three-hundredth at the Royal Opera, was quite good.

The "Zeffirelli," production is a signed some dandyish fan-play their descriptions and the second statement of the second statement of the second second statement of the second statement that doesn't suit him.

Gwyneth Jones ought to be a splendid, ripe Tosca, but isn't. Her singing was soft-edged and regularly behind the beat. Instead of using the first-act jealously-displayed to establish that Tosca is a formidable mis-tress with claws. Miss Jones strives to persuade us of her frailty and her sweet temper. But a Tosca who is just a nice girl with sensationally bad luck is nowhere near so affecting as a flamboyant, artful lady who braves perilous odds with style
—her "Vissi d'arte" is surely ruccini expected a more nearth and the state of supers to taggingly innocent voice for the Shepherd Boy.

Giacomo Aragall is the Cavaradossi, replacing somebody dramatic.



Gwyneth Jones

Secret Gardens/ICA

Rosalind Carne

The title misled me. a well-loved childhood novel I found a strange and frightening Odyssey through solitude, madness and The Four Last Things. Towards the end, there are hints about the walled garden, its privacy, magic and intimations of sexuality, but this
only emerges after our sense of
reality has been severely joited.

Are we on earth, in dreamland, purgatory, or some less

land, purgatory, or some less attractive stopping-off point? At first the glass-panelled and louvred walls, the elegant forties attire and stark film noir lighting, suggest a Hollywood house party. The people are certainly crazy enough. Perhaps they are in a sanitorium on top of a mountain, Thomas Mann style. Later developments appear to bear out this conjecture, though the abstract, elliptical nature of the production provokes a more than usually subjective response.

among the highlights of the spring touring subsidised and co-ordinated by the Arts Council.

A total of 14 drama companies, six opera companies and 10 dance companies will between 110 dance companies will between 120 drama companies will be companie them provide approximately 200 and Demonstrate will recognise weeks of touring to over 160 a similar fine deliberation of venues throughout the country. movement and an atmosphere

I of swelling suffocation. But this beginning to their Art and expected an aesthetic flirtation event marks a major step for-Architecture campaign. I hope with the incidents and imagery ward in the concentration of its imagery and in the themes which arise, fall and recur with the structural assurance of a classical sonata. Moreover, there is a beautifully syn-chronised predominantly key-Moreover,

> purely technical point of view, the occasion is a tour de force. It is also an extraordinary feat of imagination, picturing life as a series of formal postures steeped in sickness, and interspersed with manic bursts of doomed gaiety. A woman enters, describes her godlike swimming instructor or her exquisite house; both equally objectified. Nothing it equally objectified. Nothing it seems can close the gap of separation between us all. Even in their most intimate moments, human beings jeer at each other, destroy each other.
> When they speak of Revelation, it is as if their vision of
> heaven is itself belittled to four square walls, carefully measured to suit the numerologists. Keys, handbags, boxes, homes, we are all horribly con-

Arts Guide

With Lionel Friend in imma-

song compositions for soprano and small ensemble encouraged

us to delight again in the youth-

fully uproarious Bliss, pre-sumed at the time avant-garde

(though the error of this cate-

gorisation was soon enough revealed); in the Clarinet Quin-

tet of a decade later (1931) we

witnessed the composer's native

inheritance, aiready detectable at the core of the earlier "ex-periments," being actively and

expansively developed. Satur-

day's most rewarding concert.

framed by Mozart's Adagio and

Music/Monday. Opens and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

pieces with quite as much alert-no want of muscle in their ness of timing and nuance, and formal control or passing

upon words. The nonsense text lent Nash playing.

Music

ZURICH

suhalle Zurich Chamber Orchestra conducted by Edmond de Stantz with Maurice Andre, trumpet. Han-del, Vivaldi, Telemann, Purcell and Bellini (Mon); Oleg Maisenberg pia-no recital. Chopin (Tue); Stefan Askenase, piano. Mozart and Chop-in (Wed); Trio a Cordes Francais. Breval, Roussel, Xenakis and Best-boven (Thur).

LONDON

English Chamber Orchestra and Pro Musica Chorus of London conducted by Charles Mackerras with soloist Margaret Marshall Felicity Palmer. Keith Lewis and Harald Stamm. Mozart. Royal Festival Hall (Mon):

(2283191)
Alban Berg Quartet: Beethoven.
Queen Elizabeth Hall (Mon).

ondon Brass Virtuesi conducted by David Honeyball with Her James, horn. Vaughan Williams, Britten, Holst. Barbican Hall (Mon). (638 8891).

London Symphony Orchestra conducted by Yuri Simonov with Victor Tretyakov, violin. Rimsky-Korsakov and Tchaikovsky. Royal Festival

Hall (Tue).
Monteverdi Choir and Orchestra conducted by John Ellot Gardiner with Nina Milkina, piano. Mozart and Haydn, Queen Elizabeth Hall (Tue). London Philhermonic Orchestra conducted by Karl Anton Rickenbacher

Wagner Centenary concert. Barbican Hall (Tue).

Peter Danelsberg, cello and Ingrid
Haebler, piano, Beethoven, Wigmore Hall (Tue), (930 9232).

BBC Symphony Orchestra conducted by Mark Elder with Piotr Palecrny, piano. Stravinsky. Szymanowski and Strauss. Royal Festival Hall (Wed).
Elddwes Harrhy, sopreno, with Ifor
James, horn and Clara Taylor, piano. Barber, Howells, McCabe and Purcell Room (Wed). others. (9283191).

Kurt Sanderling with Mayumi Fuji-kawa, violin. Haydn, Mozart and Beethoven. Royal Festival Hall (Thur).

The English Concert with Simon Stan-dage, violin, Elizabeth Wilcock, vio-lin, Anthony Pieeth, cello and Trevor Pinnock, harpsichord. Wigmore Hall (Thur).

Romie Scott's, Frith Street George
Adams, Don Pullen quartet. Until
Feb 28, (4390747).

NEW YORK

New York Philharmonic : (Avery Fisher Hall, Lincoln Center); Zubin Mehta conducting. Ju Hee Sub piano. Wagner Mendelssohn, Brahms. (Tue); Zubin Mehta conducting. (Tue); Zubin Mehta conducting, Hildegard Behrens soprano. Schu-bert, Schoenberg: (Thur). (8742424) Carnegie Recital Hall: (57th & 7th Av) New York New Music Ensemble (Tue); Columbia String Quartet, Bernard Yamanta clarinet. Culture Person Ramanta Clarinet. Pubmer Porter, Baermann, Bartok, Brahms;

than Kramer, Ramon Zupko, Chris-Rouse, Donald Marting (Thur). (2477459)

If, in the light of Bliss's

mature compositional style,

these early pieces must be

reckoned sports, the Nash order

of performance (quintet before vocal works) helped to under-

line links between the two periods which worked both

ways round. For though the quintet utters its thoughts in

pastoral diatonicism, there is

acerbity in their harmonic language, to clarify the perpec-

tives of that diatonicism. In all of these works the mastery

(Thur). (241439)
Chamber Music at the Y (Kaufmann Hall, 1395 Lexington): Jaime Laredo conducting. Schubert, Brahms, Schoenberg (Tue, Wed). (4274410)
Benita Valente, soprano, Richard Goode piano (Alice Tully Hall):
Haydo, Brahms and Wolf. (Thur) (8746770)

American Composers Orchestra (Alice Tully Hall): Charles Wuorinen conducting, Garrick Ohlsson piano. Sta-fan Wolpe, John Adams, Charles Wuorinen, Stravinsky. (Mon).

WASHINGTON

Concert Hall (Kennedy Center): Na-tional Symphony Orchestra Youth Concert, Hugh Wolff conducting. All Stravinsky programme (Mon mat, Tue mat, Wed mat). (2543776) Terrace Theatre (Kennedy Center): New Zurich Quartet, Lory Wallfisch plano, Urs Walker violin, Christoph

Schiller viola, Alexandre Stein cello. Mozart (Tue); Coleman Blumfield sky: Chopin, Liszt (Thur). (254 9895)

Chicago Symphony (Orchestra Hall): Cloudio Abbado conducting, Ivo Po-gorelich piano. Chopin and Berlioz (Thur). (4358122)

CHICAGO

Shirley Verret recital, Warren Wilson, plano: Handel Schumann Chaus-

F.T. CROSSWORD PUZZLE No. 5,097 February 11-17

ACROSS

1 Break alternative arrange-ments (3-8) 7 Quantity of money returned in muslin (3)

9 Father went first having become rather less important (5) 10 Choice for the Spanish in part (9)

11 Re-order back-boiler (9)

12 A Gaelic resort of course (5) 13 Hide in a corner of the island (7) 15 Nothing about a spike (4) 18 Animals rush back (4)

Orchestre de Paris conducted by Krzysztof Penderecki with Mistislav 20 Team that might gain a win on the south coast (7) Rostropovitch, cello: Penderecki end Sibelius (Wed., Thur) Salle Pieyel. 23 Animal returned along a London street (5)

24 Paris corn can be made suit-able for re-use (54) 26 Junction past eight maybe Palais des Beaux Arts: London Philharmonic Orchestra conducted by Sir Georg Solti. (Thur).

27 Order, say, by a Greek character (5) 28 Alternative, we hear, to reverential wonder (3) 29 Explain how the barn is illuminated (4, 5, 2)

DOWN

1 High-ranking officers in the orchestra? (3-5) Covenant of mutual friendship for some non-league clubs (8) 3 Drain off to this point (5)

5 Serf finds French town fashionable (7) 6 It is profitable to have most

7 Fasten using one in time (6)

8 Singular record to be exact

14 Look at large growth in the French facial hair (9) 16 Reunites members who are hungry (8) with names of winners next

The indispensable quality of 17 Keep up support (8)

19 Badge shows 18 surrounding perfume (7) the badger's burrow (7)

20 Stimulating non-alcoholic drink (7) of the luck with four in 21 Sheila converted by a charge (9) prophet (6)

Saturday.

22 One to get on will supervise 25 Spike is no amateur, no

good (5) The solution to tast Saturday's prize puzzle will be published

Solution to puzzle No. 5,095

CHURBE GOMESO E N X D E U EMOCTAM SERVICE A H M E O A R BREAKINGIN TURA I N C O O HIMOI AUSTRIAN ETRATEMI OREAD ON I R BARE CAMDESCENT R BAYOMET DIARIST O D I ON L N P T **FINANCIAL TIMES**

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WASHINGTON

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FINANCIAL TIMES

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Monday February 14 1983

Hand-to-mouth debt strategy

national Monetary Fund Quotas, after what appears to have been a cliff-hanger of a meeting. It is a useful advance on the 40 per cent increase which the Americans proposed; and assuming Congressional agreement—which cannot entirely be taken for granted—he can now leave it largely to the central bankers to determine how the garrison is to be kept going until the promised relief arrives. The IMF, now down to its last \$50n of uncommitted resources, can plan its future operations with rather more confidence.

Does this agreement really solve anything though? Only on rather optimistic assumptions. If the revised monetary and fiscal strategies of the British and American Governments (though not, so far, of the German or Japanese auth-orkies) are successful, rising activity and falling real interest rates will in due course melt the debt problems away like so much winter snow. Rising activity will raise not only the volume but the price of developments. oping country commodity exports: reasonable real interest rates should make the existing burden of debt sustainable. Music, curtain, and we can all go home.

Alternative

Unfortunately, though, this happy ending cannot be taken for granted. There is an alternative scenario in which the world economy performs rather as the British economy has for the past two years, drifting from one false dawn to the next, while the underlying dilemma

is only very slowly resolved.
This gloomier view is supported by some quite persuasive arguments, and some rather less telling evidence. The arguless telling evidence. The argu-ments are basically financial. Byng was hanged, that disaster Countries and companies in may set a salutary example. debt must give first priority to improving their balance sheets. Consumers cannot borrow with-out limit. Debtor countries are out limit. Debtor countries are now adopting austerity prosumes from sheer necessity approach to debt based on remaining to characterise IMF "conditionality" as a further depressing influence. The IMF's programmes, and the continued bank lending which is now being hotly proposed upon as a condition of penalties for imprudent bankers. possible to adopt a less drastic related indices to make debt programme of adjustment than servicing supportable. None yet would be needed without them. appears to be on the official On this account, at least, the agenda even for discussion. This

SIR GEOFFREY HOWE will no doubt have returned from Washington well pleased to have achieved agreement on a 47½ per cent increase in International Monetary Fund quotas, investment is sharply down, and the state of January retail sales were appointing. The trend interest rates remains

Wishful

At this stage, however, there no need to reach firm conclusions. A financing strategy cannot be founded on wishful thinking, and there remains a clear risk that the world economy will enjoy only the momentary illusion of recovery which accompanies any turn in the inventory cycle, before relapsing into stagnation. If this is the case, Sir Geoffrey could find himself the Pearl White of international finance during his term as chairman of the IMF interim committee, ever in peril, and with everyone (not least the bankers) waiting breathlessly for the next instal-

The economic outlook is one strong reason for seeking a more radical approach to the debt problem; the politics of debt provide another. The U.S. Congress naturally finds it distasteful to vote for more bor-rowing on behalf of foreign countries when it is desperately seeking ways of reducing domestic borrowing. They are traditionally suspicious of bankers, and will not be overkeen to save them.

They are not the only opponent of the present approach.

There is a strong school within
the German and Swiss central banks who regard proposals for ever-larger IMF and bank credit lines as fundamentally in-flationary. They have also shown a more robust attitude than the British to banking failures in the past. They believe, as Vol-

All this argues, as we have penalties for imprudent bankers, Washington agreement is a is an omission Sir Geoffrey solid gain.

A new status for practical skills

THE DEVELOPMENT of practical skills and attitudes in the offering £7m in 1983-84 to local UK has long been hampered by the public image of technical to experiment with technical and other work-directed train- and vocational studies for ing as suited only to young children aged 14-18, with the people not clever enough to last two years including experi-

The £950m which the Govern-ment is to spend on expanding Education and Science, has its Youth Training Scheme in found another £2m for projects the coming year will do little to get rid of this unhelpful sum of £9m represents only image. For it is taken as almost self-evident throughout the scheme will overwhelmingly be people who have ended formal education with few if any pass grades in the essentially academic school-leaving examinations.

academic education of the about improved practical atti-rigorous kind which develops tudes and skills in the children truly critical intellects is of destined for senior positions in great value to a society. But it society. While the new courses is questionable whether it is promise some interest at school wise for a society's future for the practically minded 14wise for a society's middle-leadership and even middle-rank managers to spend the for-at least two more years of watered-down scholarly study, study to the virtual exclusion of tutoring in technical and other working abilities.

There is a strong case for the introduction in schools of a significant element of practical learning as part of the central curriculum to be pursued by all

entrance whereas pupils commonly study seven or eight academic Ordinary an to the age of 16, there seems no Advanced-level examinations. intrinsic reason why the sub-stitutions of a couple of practical sutdies should inhibit the intellectual development of children whose interests run in academic directions, Among those inclined in other ways, the possibility of gaining recognised success and developing their abilities by an alternative route of practical education could often stimulate them to pursue academic achievement as well.

A start towards the development of practical studies in schools is now being made by development of technical and the Government. The Man-other practical skills.

The second secon

education authorities wishing succeed in academic education, ence in working organisations

about 0.06 per cent of the UK's total educational spending of nearly £14bn. But it is 100 per cent more than any of the Government's recent pre-decessors has done to promote the alternative route of study The trouble is that the

It is beyond question that initiative is unlikely to bring path will probably be largely ignored by pupils who are academically inclined.

The reason is that although the alternative route will lead to the qualifications of the City and Guilds of London Institute the Royal Society of Arts and the like, those qualifications are not accepted by university Since pass grades in only five academic subjects at Ordinary level are required for university degree to continue concentrating on passing the

If the Government wants to prevent its new practical courses from languishing along with their predecessors in the image of being a catch-all for dullards, it is not enough simply to find money. Ministers need also to press for the qualifications available through those courses to be accepted as the equivalent of Advanced-level passes at least by the universities and polytechnics which were set up to emphasise the

winter's morning in Smyrna, Tennessee, Laughing self consciously, two dozen American office workers bounce

T IS 7.30 am on a raw

A little way down the road, Nissan Motor's giant new assembly plant is nearing com-pletion. Costing a total of some

\$660m, which makes it easily the biggest Japanese investment in the U.S., the plant will produce its first vehicle—a light pick-up truck—on August 1. Six months later, the line should be running at a rate of 6,500 trucks a month, and that figure should double when a second shift is introduced in 1984.

For the U.S. executives running the company, many of whom come from a Detroit background, the plant represents a totally new approach to the business of making vehicles in the U.S. For the Japanese parent company, the plant is part of a Ung-term strategy that will take many years to pay

And for the citizens of Smyrna, a town with some 9,000 inhabitants surrounded by scrubby cotton and soya fields, the new facility will bring fundamental changes to the character of their community. Generally it has been welcomed, as a source of badly needed new jobs. But some of the older inhabitants have decidedly mixed feelings about the fact mixed feelings about the fast food restaurants, the shopping centres and the big new roads which are already ripping their way into the noighbourhood.

For the old Detroit hands,

Japanese in Tennessee

music from a small cassette recorder. A Japanese executive, on his way to the temporary office buildings, puts down his briefcase and joins in the exercises. new approach to making vehicles

By Richard Lambert in NewYork

periods of up to 24 weeks to tivity."

learn the Nissan way. Some This drive is taking Nissan technicians will have been on into its suppliers' factories

specialists. Another lies in

the payroll for two years by the time the first vehicle comes off its own standards. Nearly two the line.

One feature of the training will be produced within the has been an emphasis on U.S., and Nissan's goal is to set developing a range of different up long-term relationships with skills for each worker, so that single suppliers who will under-a problem on the production take to deliver parts on the pro-line can be resolved without duction line when they are the need to call in half a dozen needed. To meet these demands, one company—Hoover Univer-

enthusiasm for the project on the factory floor, which Nissan hopes to harness in its management style. According to Mr Marvin Runyon, a former Ford that "this company will be more executive who is president and chief executive of Nissan's U.S. manner in which it will be run."

He talks of teamwark and intermanufacturing operation, "everyone here will be participating in decision making."
In order to develop the broad

lines of communication which are necessary for such an approach, there will be only 80,000 applications from around five levels of management in the U.S. for the 2,600 jobs that

He talks of teamwork and interaction, and the ideas that will flow up from the shop floor. And Nissan has been able to be choosey about who it has hired. So far there have been some

Brane Redovic

NISSAN

it takes until we are organised at Nissan Motors," he declare Nissan does not want to give employees any reason to call in the union. "We have made a commitment to our employees that our annual pay will be comparable with that of other U.S. automotive workers, and actually it will probably be better," says Mr Runyon. The pay package will include pro-

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dictivity bonuses and lots of benefits. All employees will be eligible for cars, for instance, This approach has obvious impilcations for the Japanese parent company. Mr Runyon says that U.S. auto workers earn 80 per cent more than their Japanese counterparts. Even though there is more automation at Smyrna than at any of Nis-son's plants in Japan, he admits that it will be more expensive to make a truck there than to ship a Japanese vehicle into California and pay a 25 per cent

import tariff. "Those extra costs will not be reflected in the sticker price," says Mr Runyon. The price of the vehicle will be right in line with that of similar models which are currently being imported by Nissan.

Mr Runyon says that the Japanese have not set a profit objective for their new plant. We've put the best equipment we can in here, and we've trained our people the best we can and we're going to put that all together and come out with the best possible costs we can," he adds.

The U.S. operation seems bound to squeeze Nissan's profit margins below what they otherwise would have been for some considerable time — especially given the strength of the dollar against the yen since the project was conceived. But Nissan Nissan's approach lies in its control.

Nissan's approach lies in its control.

It is significant that two out are from which it will supply the fact that the control within the start-ups and expansions for Ford, and Pre never seen anything approaching this," says Mr Larry Seltz, manager of training.

Nissan is spending more than \$800 min getting its technicians —don't call them assembly line workers—up to the mark and as part of the programment, quality is the top workers—up to the mark and as part of the programment, quality is the top sent 383 employees to Japan for the production for quality assurance. "For the strategic points on the production workers—up to the mark and as part of the programment in the use sailed in the two are on the design side). Mr Shulchi be a number of inspectors at strategic points on the production workers—up to the mark and as part of the programment in the production of the plant in the seating for the truck.

Valievels of management in the the U.S. for the 2,600 jobs that are planned for the plant. One subject which gets a plant up to and including the president. Ford would probably he seating for the truck.

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Nissan's approaching this," says are centured and a the use of management in the plant up to and including the plant up to and including the president. Ford would probably are plant the U.S. for the 2,600 jobs that are plant the U.S. for the plant.

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Never devices of management in the the U.S. for the 2,600 j

'THEY'VE BEEN HONEST... SOMETHING WE'RE NOT ACCUSTOMED TO'

ON A drab industrial estate a few miles down the road from Smyrna, a large factory is churning out heavy duty radial tyres for the U.S. truck industry. On the surface, nothing much has changed about the place since Bridgestone Tire of Japan, the world's fourth biggest tyre maker, completed the purchase of the plant from Firestone last month.

But both management and labour say that morale at the factory has already taken a marked turn for the betterand that this has been reflected in productivity. In its more modest way, Bridgestone's investment represents iust as siemificant a develorment for U.S. industry as Nissan's much grander pro-

Almost since it was opened by Firestone in 1972, the Tennessee plant has been a disaster, Its new owners say that it was designed to pro-duce around 4,000 tyres a day, but its daily output last year was drifting down to around 600. It has had no

new investment to speak of since it was opened, and its labour record has been grim. After a two-year struggle in the courts, Firestone finally allowed the United Rubber Workers to organise the plant in 1979—and promptly faced a three-month strike. The U.S. company made no secret of the fact that if it had not been acquired by the Japanese, the

plant would have been closed.
Bridgestone had been toying with the idea of U.S.
manufacturing for years, and as early as 1974 it came close to buying an existing factory in Colorado. Over the years it has built up its share of the U.S. market for radial truck tyres to around 10 per cent making it number three after Michelin and Goodyear. By contrast, its share of the market for passenger car radials is less than 1.5 per

The Japanese company decided that it would need local manufacturing capacity if it was to get a much bigger share of the U.S. truck market, and a study group researching possible

has been financed by Meritor Investments, a specialist equity

finance company jointly owned

by Midland Bank and the Rolls-Royce Pension Trust.

The opportunity to develop

greenfield sites when in October of 1980, Firestone proposed a deal over the Tennesseee plant. Never a company to move at enormous speed, Bridgestone agreed by early last year to buy the plant for \$52m, subject to certain conditions. One of these was a satisfactory deal with the United Rubber Workers.

The negotiations which followed were not about wages
—these had already been
settled in a labour contract with Firestone-and both sides agree that Bridgestone was not looking for radical changes in established work-ing practices. All the same, the talks appeared to reach an impasse at one stage. The Japanese walked out and flew home.

"It was more a misunderstanding than anything else," says Mr Tommy Powell, president of the Rubber Workers Local 1965. "We are used to putting up proposals and negotiating around them. They took our proposals as something cast in

concrete." But an agreement had

finally been reached by early October, and the mood in the factory began to change. Middle Tennessee is not the most cosmopolitan of regions. A sign in the local union office reads "Buy a foreign car and put 10 Americans out of a job," and Mr Powell admits to having mixed emotions about the idea of foreign ownership. But he says that so far Bridgestone has not put a foot wrong.

"Up to this point they've been honest with us," he com-ments pointedly. "This is something we are not accus-tomed to."

is going through a honeymoon period. By the end of 1982, the workforce had been whittled down to less than 700 hourly paid and salaried em-ployees, but Bridgestone has already recalled 170 of the 400 or so laid-off workers, and says that more jobs will become available as production builds up. For the rest of this year,

tyres will also start to roll out next January, and according to Mr Kazuo Ishikure, presi-dent of the U.S. operation, our immediate target ls 1,500 tyres a day. In three years' time, we aim to be making at least 3,000 a day." Bridgestone expects to spend around \$35m on the

the plant will only be making

tyres under contract for Fire-stone. But Bridgestone's own

plant over the next five years. mainly on updating the tech-nology and installing much more sophisticated testing equipment. Under Firestone, it says, the quality of a tyre produced at the plant could vary significantly from day to new managers will be to reduce the degree of devia-

tion in the product. His target, Mr Ishikure declares disarmingly, is to get productivity up to "at least" 50 per cent of Japanese levels.

Since wage costs are higher in the U.S., Bridgestone executives admit that strictly on the basis of production

costs it would probably be more efficient to produce the tyres in Japan and ship them over. But, they say, there are many other factors to consider. Apart from general trade and political issues, these include improved service to customers and an ability to produce designs better suited to the characteristics of American roads.

"Finally, at the bottom line, it is better to be here," says one manager. Eventually Bridgestone plans to make 80 per cent of its U.S. truck radials in Tennessee, and import the rest from Japan. For his part, Mr Powell believes that union members will be prepared to accept practices over time,
"Firestone never recog-

nised the workers on the floor for their capabilities," he claims. "Bridgestone says claims. the knowledge of the workers is an untapped resource, and believes in working with them. It is something the American worker needs it has never been a part of U.S. industry."

Men & Matters

Home-spun

The past four years have been a bit of a whirl for Alan Laver; rather like passing through a fast-spinning door.

In 1979, the 46-year-old chartered accountant joined Michael Ashcroft's "hyperactive" Hawley Group as company secretary. In 1980, he helped bring one of Britain's biggest ski-wear retailers Pindisports, along with

five other companies, into the group. The following year he was given responsibility for the management of the group's leisure retailing. Then last year, Hawley demerged these activities and their management into the Carraun Group. And today, a slightly breathless Laver emerges, in another spin-off, as chairman and principal individual shareholder of an independent Pindisports.

pendent Pindisports. Laver, with former Hawley colleague Stephen Foot, and Pindisports' fashion designer Cindy Fry. has bought the comfrom Carraun for

£750,000. In addition to the private



" Another toymaker gene

Oily words

East Germany's need for oil seems to have outweighed its devotion to the cause of international communism. Just a few days after the arrest of leaders of the Tudeh (Communist) Party in Tehran and their reported confession to spying for Russia, East German President Erich Honecker has sent a fulsome message of congratulations to the Ayatollah Khomeini on the anniversary of the Iranian Islamic Republic. Honecker's telegram - pub lished in full on the front page

of the Neues Deutschland ne of the Neues Deutschland news-paper—says the victory of the revolution over the "despotic Shah regime was a severe blow to the hegemonistic policy of U.S. imperialism and an impor-Honecker signed off by wishing "His Hollness—health, happiness and creative powers."

Cook books Cooking the books is becoming

capital involved, the buy-out scientific business these days. It all started when Lord ing some success with new Vernon's library at Sudbury protection programmes, was Hall Derby, was flooded, soak-ing many books including a priceless collection of 18th and 17th century works.

independently was created by Carraun's own need to expand into other areas," says Laver. He has never set foot on a ski slope, "But that may be an advantage. It means I can ask Oxford's Bodleian Library was consulted about restoring the water-damaged pages—and the conservator of books, pon-dering the problem, remembered a conversation two years the silly questions about the business." previously with Dr Roger Angold, of RHM Research, the Pindisports—founded in 1946 as a war surplus distributor and with shops in London and Bristol—plans now to consolicentre established by the late Lord Rank at High Wycombe 20 years ago and now engaged in food processing and agricul-tural research for Rank Hovis McDougall. date its position in the ski-wear and equipment market, expand its trading base, and like Carraun, aim eventually for a place in the Unlisted Securities Market.

Angold had suggested that the accelerated freeze drying process, commonly used to preserve foodstuffs such as scampi, strawberries and coffee, might be used to remove excess water from books without affecting the structure of the paper or bindings.

Vernon's books were quick frozen, the ice removed by applying a high vacuum and gentle heat—and the books are now back on his library shelves. RHM is now at work on a con-signment of sodden ledgers and documents recently retrieved from the basement of a City

Loss leaders

Life is still wilder out west, it seems. Five banks were robbed in one day recently in Toronto, and Canada's financial capital and most populous city now tant contribution to the people's threatens to displace Montreal struggle for national indepenas the world's best business centre for bank-robbers.

tion says there were 336 bank robberies in Montreal in 1982, compared with 181 in Toronto. That ratio has continued in the first six weeks this year. But the Toronto raid-rate was valuable, and respectable, up by 186 per cent from 1981,

Canadian Bankers' Associa-

while the Montreal rate, reflectdown by 48 per cent.

Toronto police say the severe recession has caused the rash of hold-ups there. Many first offenders have robbed banks, says Inspector Bernard Nadeau.
" just because they needed rent But there are signs that some

robbers may have moved in from Montreal. The Montreal "swamp gang" technique, in which a gang storms a bank like a troop of commandos, is now becoming a familiar operation in Toronto.

Traveller's fare

Travellers who claim to suffer jet-lag when flying through a few time zones may be tempted to arm themselves with a plastic card of instruc-tions which is being issued free of charge by one of the big American research centres. Scientists at the Argonne National Laboratory near Chicago have been taking jetlag, and the disarray in sleep patterns suffered by shiftworkers, seriously enough to instant a distance to control to the serious suffered by shiftworkers, seriously enough to invent a diet to counter the effects.

Dr Charles Ehret of its division of biological and medical research recommends a diet regime starting four full days before the first breakfast after touch-down. The routine is to alternate between feasting and fasting ending with a final fast (without alcohol) on the

The full rigours of Ehret's regime will he explained willingly by the Argonne National Laboratory people,

Possession of the card may serve to persuade some of us little jet-setting and night-life the sacrifice to make.

Observer

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BERTIE RAMIFICATIONS

THE PALESTINE NATIONAL COUNCIL

Hard choices for the PLO

By Patrick Cockburn

HEAVY WINTER rains have turned the Palestinian refugee to camps in south Beirut into Libra to Saudi Arabia. Their barely passable swamps. Along their narrow lanes, now turned to muddy brown streams, the survivors of last September's massacre are still trying to after previous Arab defeats by Israel. will answer with their scrape a living. They are repair. Israel, will answer with their ing houses damaged by artillery and a few small shops have

Like most of the 400,000 Palestinians in Lebanon, the inhabitants of Chatila and Sabra camps are frightened. Their main concern is survival. They look apprehensive despite the presence of Italian troops in white personnel carriers and tough-looking French soldiers, all members of the multi-national force stationed in

A bedraggied black flag at one end of the camp marks a mass grave where some of the 800 Palestinesas murdered by rasesumans murdered by Christian militiamen are buried. The scattered wreaths are beginning to dissolve under the impact of wind and rain. For the people in the camp they are an unnecessary reminder that without the presence of foreign troops they would be wholly vulnerable to a repeat of the massacre. "We stay because we have nowhere to go," said one

This same bleak lack of options faces Palestinians throughout the Middle East.

The U.S. holds 80 per cent of the cards

Since the Palestine Liberation Organisation pulled out of Beirut last August it has sought some political gains to compensate for the military defeat it suffered. So far these have

The key political benefit for the PLO since the end of the siege of Beirut is President Reagan's peace plan of September 1. At its centre is the future of the Palestinians. It envisages Palestinian autonomy for the West Bank and Gaza in association with Jordan. The PLO will have no formal role in negotiations and statehood is not mentioned but Palestinians are keenly aware of the advantages for them if the plan is carried out.

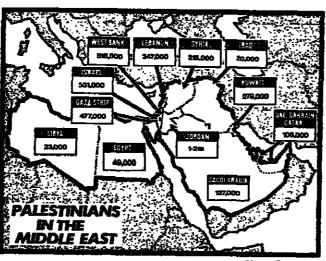
However, they also know that it has been rejected out of hand by Israeli Prime Minister Menahem Begin. The number of settlers on the West Bank is being increased. Washington seems unable to put pressure on the Israeli Government to

This week, however, the PLO must decide its future course of action. Today the Palestine National Council, the 350-member PLO parliament and highest policy making body, American initiative since the provident of the provident of the provident of the purple of the purp meets in Algiers.

It will be divided between those who believe that they must make very serious compromises in order to pursue negotiations under the Reagan plan, and those who see no choice but to stick to the full demand for a Palestinian state. "The Americans want more concessions from the Pales-tinians without trying to put pressure on the Israelis," said one Palestinian on his way to Algiers last week.

sate for the military defeat it suffered. So far these have proved elusive.

The significance for the rest of the Middle East of the despair now felt by many of the 4m Palestinians should not be underestimated. All the Arab governments, be they monarchist or revolutionary, lost levering the HE chairman of the PLO, will try to ensure that the PNC does not completely reject the Reagan plan, Whatever his doubts about its practicality, Washing ton's proposals do at least give him the opportunity for diplomate that the proposal is a sufficient to the province of the PLO, will try to ensure that the PNC does not completely reject the Reagan plan, Whatever his doubts about its practicality. Washing to make the province of the PLO, will try to ensure that the PNC does not completely reject the Reagan plan, whatever his doubts about its practicality.



negotiations.

The psychological link is that

The psychological link is that nobody in the Middle East will be able to believe that America can get the Reagan plan accepted if it cannot persuade the Israelis to remove their troops from Lebanon. After all,

initiative in the Middle East.

The Syrians, who still hold one-third of Lebanon, are con-

throw them out of the positions in Lebanon they still hold. The

departure of Gen Ariel Sharon

from the Israeli Defence Ministry may reduce their fears

but they have repaired links with the Soviet Union and are

tion is do they want to play them?" connection between an Israeli pullout from Lebanon and the peace plan for the West Bank," says one observer close to the greater optimism among Pales-tinians that Washington would apply heavy pressure on Israel.
The summit of Arab states held at Fez in Morocco in September when President Eisenhower ordered the Israelis out of

The problem is that the White House is enjoying no such success in getting Mr Begin to pull back from Lebanon, a critical precondition for the Reagan plan. Talks between Israel and the Lebanese Government are getting nowhere. Israeli troops are still around Beirut and in south Lebanon. The balanced withdrawal of all foreign forces, including the 30,000 Syrian soldiers and 7,000 PLO still in

Lebanon, will have to wait.

"The Israelis have produced a long laundry list of demands for the Lebanese," comments one diplomat in Beirut, "Jerusalem would like to see a 100-page peace treaty. The Lebanese would prefer something on the back of an envelope."

chist or revolutionary, lost credibility at home last year when they failed to help the PLO besieged in Beirut by General Ariel Sharon, the then Israeli Defence Minister.

This humiliating failure, belying years of bellicose declarations of solidarity with the street and an organic with the same of the cards in their hand," says the same of the cards in their hand," says the same of the cards in their hand," says the same of solidarity with the soviet Union and are pressing the Palestinians to reich the Reagan plan root and withdrawal from Lebanon as the central issue in Middle East politics the Israeli Government.

More critically by keeping its withdrawal from Lebanon as the central issue in Middle East politics the Israeli Government.

Mr Abdul Halim Khaddam, the Syrian Foreign Minister, has said that Israeli demands for military surveillance ports in southern Lebanon to be left or condemn the Reagan plan root and branch.

Mr Abdul Halim Khaddam, the Syrian Foreign Minister, has said that Israeli demands for military surveillance ports in southern Lebanon to be left.



Mr Arafat: lack of options

behind after a pull-out are completely unacceptable to Damas-cus. The Syrian Government believes that all Mr Arafat's delicate diplomatic manoeuvres are futile. Indeed, it would like to see him removed from his present commanding posi-tion in the PLO

They particularly object to Mr Arafat's talks with King Hussein of Jordan with whom Syrian President Hafez al-Assad has particularly bad relations at the moment.

they have held the West Bank and Gaza since 1967 and southern Lebanon for only eight months. The longer Mr Begin can divert attention from the West Bank the longer the longer by the West Bank the longer by the lo In any negotiations with Israel and the U.S. Jordan will play a critical role. Mr Arafat's central aim is to allow King the West Bank the less the credibility of the peace plan and the closer Washington gets to the next presidential election. This, it is assumed, will limit President Reagan's ability to undertake any determined interest in the Middle Fact. Hussein to talk for the Palestinians without compromising the PLO's leadership. The more radical groups within the PLO, including sections of the main organisation al Fatah, be-lieve that Mr Arafat may thereby be selling their political birthright without any assurance that he will get anyvinced that the Israelis will stay. Indeed, over the past month they have expressed anxiety that Israel will try to

thing in return. Over the past two months Mr Arafat probably has not had a majority for his moderate stance within any of the policymaking bodies inside the PLO. Opposition to his tactics is likely to crystallise in Algiers where his opponents will try to rein him in and get the Council to condemn the Reagan peace plan. But even they for the most part believe that he is irreplaceable. The geographic fragmentation of the PLO has made his leadership all the more crucial in keeping the

The weakness of the case put forward by Mr Arafat's critics is that the Palestinians have few alternatives except to hope that the Reagan peace plan can be implemented in some form.

Israel's military position is impregnable. The Arab states which back the Palestinians have never been so divided or weak. The Gulf states are more worried by Ayatollah Khomeini than they are by Mr Begin.
Egypt, the most powerful Arab state, is linked to Israel by the Camp David treaty. The PLO still recalls batterly that during the long siege of Beirut all its allies in the Arab world, radical and conservative alike, stood by and watched.

Above all the Israelis have stepped up their drive to settle the West Bank. Only last week another 45,000 acres of land was expropriated by the Israeli authorities near the southern city of Hebron. The West Bankers, who are closely linked to the Palestinians in Jordan, are eager, almost desperate to set the settlement programme. get the settlement programme stopped.

In Lebanon, the Palestinians face an equally ominous future. Disarmed and often unprotected, they are at the mercy of the resurgent Christian militias who carried out last September's massacre. In Beirut, fear

It is unlikely the PLO will completely reject Reagan's plan

and frustration are building up in all parts of the city. Renewed trassacres cannot be ruled out. Onl ylast weekend a car bomb outside the Palestine Research Centre, an academic institute in Beirut. academic institute in Beirut, left almost 150 people dead and wounded, most mere passers by, terribly burned by the explosion of a bottle of hexogene gas attached to the bomb. With these imminent threats of expropriation on the West and death or expulsion in Bank and death or expulsion in Lebanon, it seems unlikely that the Palestinians in Algiers will completely reject the Reagan plan. Mr Arafat will probably be able to continue his diplo-matic manneuvres. But neither radicals non wedgenters in the

radicals nor moderates in the PLO have any great hopes that

they will gain much from negotiations.

Lombard

A shake-out half behind us

By Nicholas Colchester

THERE IS some good news turking among the data and charts of the OECD's latest, grim analysis of the British economy, though it is not news to which the authors draw attention. This is the remarkable

tention. This is the remarkable shift in the pattern of British employment away from manufacturing industry and towards the service sector.

The words "post industrial society" stick in the gullet when conditions in the labour market are as tough as they are at the moment. How can one stack a hazy vision of non-industrial jobs against the reality of 3m unemployed? When the shorterm prospects for the UK economy are said to be 14! per cent unemployment, no further progress against inflation, and a progress against inflation, and a deteriorating balance of payments, it seems natural to join with the OECD in frowning at the "considerable contraction" of the British industrial base. Yet a suspicion remains that the rigour imposed upon the

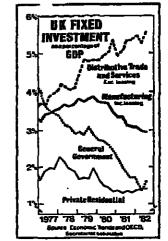
British economy by what Denis
Healey, the shadow Foreign
Secretary, called "sadomonetarism," and by our late
petro-sterling exchange rate,
has goaded the British economy -perhaps too early and perhaps too fast-down a path which all the mature industrial economics

working in manufacturing in also preserve the viability of dustry in 1980 only about 70 parts of the existing manufac-

are working today.

Manufacturing now accounts
for only 27 per cent of British
employment and in its painful dustry's shake-out, the message
shedding of industrial labour in the chart remains disturbing.

Britain seems to have moved Service sector investment is Britain seems to have moved



shifting its foreign currency earnings, away from basic industrial exports,

To argue long term advantage in a declining industrial proportion of employment and GNP is not to imply that manufacturing industry is dispensable. Services, whether exportable or not, need to be based upon a sound and competitive industry which itself employ more care. which itself employ more capithe mature industrial economies tal and technology and be more will at some stage have to selective in its output to add follow.

Where 100 people were employee. Redundancies and re-Where 100 people were employed in the UK service sector in 1960 there are 125 working today. And where 100 were coverships not only propel towards new and untoday. And where 100 were coverships not only propel towards new and untoday. And where 100 were coverships not only propel towards new and untoday. And where 100 were coverships not only propel towards new and untoday. foreseeable types of work, they also preserve the viability of

in the chart remains disturbing. Service sector investment is Britain seems to have moved far faster than the other major surging ahead appropriately as European economies: taken to gether these other countries facturing investment seems to are today employing the same name toumber of people in industry rate of late. Meanwhile, the as they were 24 years ago. My instinct is that these European ment, to the extent that it repartners—and in particular facets spending on the infrastructure of the British economy, looks catastrophic. The process which Britain is already half way through. half way through.

Indeed, one has to concede pensate for the general fall of a danger that these European private sector investment—neighbours will become increasshows most graphically where ingly protectionist to defer the this Government's economic painful process of adjustment, courage has been marred by This would hinder the UK from short-sightedness.

Letters to the Editor

The Chancellor proposes and the Revenue disposes

Sir,-I was glad to read Mr Sadleir's letter (February 8) which drew attention to the not very well publicised consultative announcement was one of a

while making no comment on a time when the Government's should be better (perhaps for the detail of the proposals it appetite for borrowing was less than in previous years. In some the Chancellor to seek to facilitate such issues and then for the Inland Revenue to propose to tax the same issues in a way and to an extent which will remove any potential advantages they may offer to issuers the economic downturn and investors fears of a continuing 40 Chancery Lane, WC2.

Not the year of resolve?

From Mr J. Jaweit

Sir,—Recent discussions on the future of Hong Kong, as reflected in your leader of February 2, may well have overlooked one particularly sensitive political problem. From China's viewpoint the problem is not only what to do about Hong Kong but when to do it. There is a presumption that midnight

From Mr K.

Sir,—The I is a presumption that midnight June 30 1997 is the vital moment for changing the status of Hong Kong. Yet viewed from Beijing that is surely the one moment when nothing must be seen to

Kong, as you rightly record, are but one example of the so-called "unequal treaties." That series of treaties which, in the 19th and early 20th centuries, were forced on a weak China by the powers of Europe and Japan. Post-1949 China has dismissed such treaties as totally invalid. Therein lies China's dilemma. If the treaties have no validity, then for Hong Rong 1997 is no more significant than 1987 or the year 2007. Indeed for China to accept a settlement of the Hong Kong question in mid-1997 would be to acknowledge the validity of those very treaties she has consistently denounced as invalid. Such developments would surely not go unnoticed in Moscow and Delhi: for if the Hong Kong treaties were valid would that not set a very awkward precedent for those unequal treaties relating to the Sino-(British) Indian and Sino-

(Russian) Soviet borders? With China becoming increasingly attentive to every nuance of political implication, such potential pitfalls must surely be avoided. To gain Hong Kong at the expense of losing ground in the Sino-Soviet and Sino-Indian

AMERICAN

if such issues are to constitute successful finance raising vehicles, for them to appeal to both borrowers and investors. high rate of corporate failure has meant the market in domestic both borrowers and investors.

document issued by the Inland
Revenue on the tax treatment of
deep discounted bond issues.

White making no comment on
White making no comment on
White making no comment on
White making no comment on tages they may offer to issuers the economic downturn and P. G. Wilson, and investors. It is important, investors' fears of a continuing 40 Chancery Lane, WC2.

The Chancellor's original ket is to revive and if deep nnouncement was one of a discount issues are to figure in eries of measures designed to the revival, it is essential that certainly no worse than if they invested in gilts and ideally should be better (perhaps for example by being free of capital

border disputes is clearly not in China's interest. That being so. China may well decide that 1997 is not the year to resolve the

when nothing must be seen to ignore Channel 4 at any given time, yet she admits that the channel is getting only 4 per cent of the audience.

73, Platts Lane, NW3.

inflation

In terms of real value, however, both the FT 30 share index and the FT all share index have not

an inflation

Hong Kong question.

John Jowett.

25, Newmill Road,

Dunlop, Ayrshire.

From Mr K. Glover
Sir.—The head of marketing
at Channel 4 (February 7)
takes issue with your Mr
Dunkley for saying that 96 per
cent of viewers steadfastly

If you wanted to be pedantic I suppose you would have to take the highest rated pro-gramme on Channel 4 which appears from the ratings figures to be "Upstairs Downstairs" at about 15 per cent, and the lowest rated programme which by all accounts is the "Channel 4 news" with its zero rating, and say "at any given moment the proportion of viewers ignoring Channel 4 will be somewhere between 85 per cent and 100 per cent but most of the time it will be 96 per cent to 97 per cent."

A picture of

You publish

been on an all time high for

linked all share index, once a

month, and on that graph the highest point since 1962 was in 1971, when it was 138. Now it is only 65, under half what it was. This is reality. All else is pure illusion. In real terms both indices are extremely depressed. Unless this fact is kept fore-most in the public mind, a pic-ture of apparently booming stockmarkets will add fuel to any political attempts to dam-

age savers' attempts to recover from real term losses or even maintain their capital. A large proportion of ac-countants, investment advisers, and life insurance brokers fail and life insurance brokers fall to see the full implications of inflation. It is therefore not surprising if those seeking large pay rises look at apparent stock market bootes as an indication that business generally is doing very well and can afford to divest some of its profits into higher wages and salaries not linked to increased anydon. linked to increased produc-

tivity. John de Rivaz, West Towan House, Truro, Cornwall.

Zero rating for roof repairs

From Mr A. Galea
Sir,—As I understand it a well-to-do householder's property improvement in the shape of a swimming pool is VAT-free, while a retired pensioner's necessary repair of a leaking roof is surcharged 15 From Mr J, de Rivaz,
Sir,—Every time the FT
Index rises to an apparent alltime high, there is much comment in the fipancial Press
about about a coming fall, and share values are talked down.
In regress of real value however. "improvement" and a "repair," and give a boost to small busi-

Alexander P. Galea,

Reducing the

From Mr P. Valgncourt-Strallen

Sir.-It was with some amuse ment tinged with disbelief that I read (February 3) the report from Washington by Anatole Kaletsky that the Council of Economic Advisers to President Reagan in its 1983 annual report has belatedly stumbled upon the fact that the 1982 recession could be blamed on the unprecedented and as yet "not fully understood" changes in the relationship called "velocity" which links the money supply with the growth in nominal

Any striking water worker could explain to the Council of Economic Advisers that given a constant pressure, the volume of water delivered at the end of a pipe depends upon the diameter of the pipe which in turn dictates the velocity of water passing through it. Conversely, if the diameter the pipe remains constant the volume of water delivered varies with the pressure. Any fifth form schoolboy could explain that volts (pressure) times amps (current flow) equals watts (the quantity of electricity).

The monetary authorities i the U.S. and, until recently, in the UK have been at pains to reduce the pressure of money (money supply) without any means of measuring its velocity of circulation and hence of the total quantity of money at work in the system. Velocity of cir-culation can only be roughly measured with considerable hindsight but it should be self evident that when money is being hoarded because of high rates of interest and fears of inemployment, the velocity of circulation is likely to fall.

Governments on both sides of the Atlantic have succeeded in dimming the economic lights by reducing the voltage at a time when the public was already reducing the amperage by changing its 100 watt bulbs for 40 watts to save electricity,

The Council of Economic Advisers has belatedly grasped this simple truth, hopefully before the world is plunged into

Perhaps a moral to be drawn

is that more water worker:

should be economic advisers and

P. D. Vaigncourt-Strallen, Dial House, Catcott, Somerset.

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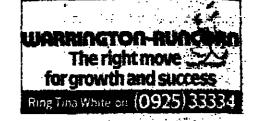
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FINANCIAL TIMES

Monday February 14 1983



GNP INCREASES 1.5% IN YEAR

French expansion lifts imports

BY DAVID HOUSEGO IN PARIS

economy last year at a faster rate deeper into the red. than that of most of its competitors The 1.5 per cent expansion in ecothan that of most of its competitors was accompanied by a sharp rise in

That was confirmed at the end of last week with the release of preli-took shortly after coming to power minary figures that showed that and followed 0.3 per cent growth in French gross national product 1981. (GNP) grew in real terms in 1982 by 1.5 per cent as compared with a fall in West German GNP of 1.2 per

The difference in rates - the two countries are each other's main trading partners - largely accounts sued show that consumer purchafor the 3.6 per cent growth in sing power was still sufficiently French imports in volume terms. strong to result in a 0.7 per cent French demand, rising more sharp- growth in the final quarter over the ly than that in West Germany, previous three months.

Japanese

to create

By Jason Crisp in London

tween the two countries.

which employ fewer than 100 peo-ple. Last year two of the largest

YKK, which makes zip fasteners, and Sony, expanded their UK oper-

persuade Japanese companies to invest in the UK. Last month Mr Pat-

rick Jenkin, the Industry Secretary,

visited Japan to encourage more

companies to manufacture in the

Considerable publicity was given

to three announcements which

were timed to coincide with Mr Jen-

kin's visit although they will create

only 400 jobs over several years. The three were Hitachi-Maxell to

make video tape and Sanyo and

Mitsubishi to assemble video

Fujitec, which makes lifts and es-

calators, and Honda which has links with BL the state-owned vehi-

cle maker, also announced they were studying the possibility of

manufacturing in the UK.

recorders.

The British Government has

fewer

THE EXPANSION of the French plunging France's trade deficit that exports fell by only 2 per cent within the administration to dimin-

nomic activity last year was largely the result of the stimulatory measures the Socialist administration

In mid-year, the devaluation of the franc was accompanied by a deflationary package which pro-duced negative growth in the third

But the preliminary figures is-

in volume terms over the year, as a result of a strong revival in the last quarter of 2.7 per cent.

In the autumn, the government statistics institute INSEE had been forecasting a record decline in exports in volume terms for the year of between 4-5 per cent.

The right-wing paper Le Quotidi-en has published extensive extracts from allegedly confidential government documents which showed that the Ministry of the Budget was now assuming in its forecasts a 0.7 per cent drop in purchasing power this

The Budget Ministry described the figure as "baseless," but a de-For the Government, the most cline in purchasing power would acheartening news in the figures is cord with the plans being drawn up

ish the size of the trade deficit.

These plans, which have become olitically explosive as a result of election campaigning for next month's municipal polls, are expect-ed to be implemented when the

election is out of the way.

The Government had been working in its Budget forecasts on a 2 per cent growth this year in real GNP and 0.9 per cent growth in real disposable income.

The allegedly revised forecasts published in e Quotidien assume a 1 per cent growth in GNP and a 0.7 per cent decline in purchasing pow-

Officials insist that after last year's experience. France cannot afford to run a growth rate higher than that of her competitors

Poland's national income falls 8% in year, but output is rising

BY DAVID BUCHAN IN WARSAW

jobs in UK the overall slump in the country's THE NUMBER of jobs which will be created in the UK by new Japanational income, roughly corresponding to gross national product excluding services, to 25 per cent since 1979. nese investment projects an-nounced last year plummeted in

But industrial production ended spite of the widening trade gap be-According to a report to be pub-lished shortly by the Department of Industry's Invest in Britain Bureau 1981 level, and on a rising trend since last August. Official press re-ports say that the increase in last month's industrial output, was high-(IBB) only two Japanese manufacer than the 4 per cent rise forecast turing projects were committed to the UK last year which are expect-ed to create 155 jobs. for 1983 as a whole, mainly because of improvements in the mining and

In the previous two years 2,400 Poland has recently been seeking jobs were created by Japanese inthree-year rescheduling package estment in manufacturing in the of its Western debts, falling due in UK. This is far outstripped by new 1983-1985, as distinct from the aninvestment from U.S.-owned companies which last year decided on nual agreement it has painfully negotiated in each of the past two projects which will need over 8,000 employees. There are 26 Japanese companies

manufacturing in the UK, most of

POLAND'S national income fell 8 zen rescheduling of debts as part of per cent last year below the 1981 their sanctions, a position that has level, according to final statistics come to suit Poland because it efpublished in Warsaw. This brings fectively excludes it paying current

National income last year fell faster than industrial output, because of poor performance in agriculture, construction transport and the failure of exports to the West to ast year only 2 per cent below the rise as fast as imports fell, govern-

ment economists say.

A 3.3 per cent decline in grain production and a 5.8 per cent drop in meat production resulted in an average 4.5 per cent drop in the farm sector. The brake put on some 1,500 investment projects and a fall in new apartment building produced a 5.7 per cent drop in the construction sector.

dles Poland's debt negotiations with to the church's traditional concilia-Western banks, is expected very tory role, even though that "might

This would involve the replacement of Mr Stanislaw Kobak, who became the bank president last June when new financial reforms were introduced and possibly of the veteran bank vice president Mr Jan Wolosyn.

The latter has been known to want to retire for some time, but has been persuaded to stay on so far because of his much needed financial expertise and good personal links with many Western bankers.

• In his first public pronouncement since being made a Cardinal in Rome Archbishop Jozef Glemp, yesterday rejected complaints that he was not militant or politically decisive enough. He said in a sermon that his job

Meanwhile, a shake-up in the top management of Bank Handlowy, the foreign trade bank which han-

Britain builds minerals stockpile

Continued from Page 1

the EEC to develop a common poli-

The Department of Industry has confirmed that the whole question of creating strategic materials stockpile was being looked into, but with other Ministries such as Treasury and Defence.

It is thought, however, that an official announcement may be made this week, in answer to a question in the House of Commons, tabled by Mr Trevor Skeet, a Conservative

The secrecy surrounding the buy-ing programme, which is thought to Brandeis have been nearly completed, was to prevent prices being pushed up by the knowledge that the UK Government was in the market.

Prices of most metals and miner-

Government to go ahead with the als have been at rock bottom levels decided to sell out because of the of depressed demand. But they have started rising recently on hopes of an industrial recovery, so the UK buying has come just in

There is considerable unrest in that it would require co-ordination the trade about the way the programme has been organised. It is understood that the British Steel Corporation, which will be the main user of the materials bought, is unset by the implied snub in the Government's decision to appoint a French-owned company. Brandeis Instel, to co-ordinate the buying

> Brandeis Instel is an established London-based metals trading company that was taken over by the nationalised French group - Pechiney Ugine Kuhlmann - last year when merchant bankers, S. G. Warburg,

Other London traders are also astonished that the subsidiary of a nationalised French group be employ ed by the UK Government for such

a sensitive role. France already has a strategic minerals set-up, linked with its ownership of mining companies. An attempt by West Germany to increase its stocks to above normal levels, by giving low-cost land to private companies, failed to attract much support.

Japan has already stockpiled several key materials and is planning to buy more. The Reagan Administration is pledged to increase the size and scope of its large strategic stockpile to meet the target of having sufficient supplies for a three-year conventional war.

Peking's farewell to a dog of a year

BY TONY WALKER IN PEKING

HUNDREDS of millions of Chinese at the weekend saw out the year of the dog and ushered in the bountiful pig with fireworks and theatrical displays and feasting.

For businessmen in the West who may have regarded 1982 as a dog of a year, the new year may bring better news if the ascendant pig in the Chinese lunar calendar is allowed to exert a positive influence on events beyond the middle kingdom. According to Chinese mythology

the pig in the ascendant corres with years of plenty, Harvests are bountiful and bank accounts get fatter under the benign influence of the lunar pig.

Western businessmen who may not feel disposed to put too much faith in such forecasts should perhaps recognise that the Chinese have been longer in the business of predicting events than those who

World Weather

practise the imperfect science of econometrics.

In China, the new year got off to a robust start. In Peking and other major cities shops reported record business and "new rich" consumer in rural areas are said to have gone on a spending spree after the record 1982 harvest.

Zhao Ziyang, China's Premier, at what was billed as a spring festival "get together" at the Great Hall of the People, urged people to work harder in the new year to "ensure the success of major construction projects to prepare conditions for

Chinese, in their new affluence, set off barrage of fireworks to welcome the new year of the pig and to say goodbye to the dog. In Peking, it sounded as if the city was under siege as firecrackers, some of quite lethal dimensions, were detonated from nightfall on new year's eve un-

til dawn the following day. Street markets and festival in the

capital's suburbs today took on some of the characteristics of minefields as exuberant young Chinese set off firecrackers, severall varieties of which hopped and jumped in alarming fashion. It is at times like this that foreign

residents in China need no remind-ing that it was the Chinese who invented gunpowder between the 10th and 13th centuries. In Peking alone, the local fireworks factory, quaintly called the Beijing Daily Sundries Corporation, made 800 million "singleshot" and 10 million "double-bang" firecrackers, according to a China Daily report.

Turning arms and ammunition into civil production as the Chinese the Chinese people." A corporation spokesman said: "Using gunpowder year begins in either January or

peaceful life is much more worthwhile than igniting a war."

After the festivities of the past

several days it is reasonable to assume Chinese gunpowder stocks have been much depleted. According to Chinese mythology,

years of the pig are benign for those born in the years of the rabbit, sheep, tiger, ox, rat, dragon, horse, rooster and dog. The year is not so auspicious for the snake and mon-There are 12 signs in the Chinese

lunar calendar, beginning with the rat in the present cycle, then the ox, tiger, rabbit, dragon, snake, horse, sheep, monkey, rooster, dog and last, but no means least, the pig. The years of the Chinese hunar calendar do not, of course, exactly proverb goes is always the wish of coincide with those of the Western year begins in either January or

Sharon stays in Cabinet

Continued from Page 1

expected turmoil over approval of-Gen Sharon's new appointment, a number of small parties have tabled motions of no confidence in the Government, which will be debated

in the coming days. Meanwhile, the Peace Now movement maintained vigil in Jerusalem and Tel Aviv in memory of the anti-Sharon demonstrator who was killed by a hand grenade thrown at a demonstration outside the Prime Minister's office last Thursday

So far the police have failed to arrest anyone for the fatal attack. which is widely believed to have been the work of right-wing Israeli

extremists who opposed the resignation of the Defence Minister.

Our foreign staff writes: The United Nations agency responsible for Palestinian refugees said yesterday that 15 bodies had been found in south Lebanon. It said the bodies had been discovered over the past two weeks near Ein el-Hilweh refugee camp, outside Sidon, an area under Israeli occupation.

The report added that Palestinians were being intimidated by Christian militiamen and cited examples of families which had been forced to leave their homes after re-

Bignone faces growing crisis

By Jimmy Burns In Buenos Aires

ARGENTINA'S moderate President, General Reynaldo Bignone, is facing his most serious crisis since assuming power last June. There were continuing reports during the within the armed forces, an imminent government reshuffle and a bitter clash between the junta and

The junta of army, navy, and air force chiefs is understood to have that more precise data on their imdrawn up a package of tough eco-nomic and political guidelines, which it wants General Bignone to

The guidelines will be put to the president at a crucial meeting cheduled for today following talks between the individual service chiefs and their senior officers. They are believed to include strict instructions on the handling

of the election timetable as well as a demand for economic measures to deal with the rising inflation rate and the unions' threat of a major strike. Consumer prices increased by 16 per cent, five percentage points higher than the govern-

ment's target. General Bignone is having his conciliatory attitude towards the politicians underminded by the junta's insistence that the election date should be fixed for early November without further consultation with the parties. The junta is also reported to be considering the new press law to clamp down on anti-military

reports in the media. President Bignone, who until now has tried to maintain a distance from the junta, is said to favour taking into account the opinions of the politicians who have asked for a much earlier poll.

The junta's privately voiced criticism of the government's antiinflation drive has put in doubt the future of Sr Jorge Wehbe, the economy minister. General Llamil Reston, the interior minister for contacts with the politicians, is also being threatened.
Some political observers have

suggested that General Bignone might himself resign rather than yield to military pressure. Details of a strong attack on the current military leadership by a

group of senior retired officers were eaked at the weekend. A statement, reported to have

been handed to the junta on Janua ry 29, accuses the presidency of "having lost control" to "Marxist Peronist forces" bent on undermining the prestige of the armed forces. It called on the junta to "modify substantially the political leader ship" or else face a "tragedy of unfa-

thomable consequences." The state-ment, whose signatories include General Frederico Montero, a notorious coup-monger purged by president Juan Carlos Ongania in 1969, was significantly published prominently on the front page of the pro-army newspaper, La Razon.

PLO turns down U.S. peace plan

Palestinian state.

THE LEADERSHIP of the Palestine Liberation Organisation has re-jected President Reagan's peace proposals for the Middle East, one of the top PLO officials said last

Mr Abu Iyad, widely considered as deputy to Mr Yassir Arafat, the PLO chairman, said in Algiers that the Reagan plan had been turned down because it did not provide for

He was speaking on the eve of today's scheduled meeting of the Palestine National Council (PNC), the top Palestinian policy-making body, which is due to consider strategy for achieving a Middle East peace

President Reagan's September 1 proposals and the eight points agreed on by the subsequent Arab League summit meeting in Fez which implicitly appeared to recog-nise Israel's right to exist.

PLO has been meeting under the chairmanship of Mr Arafat for the past five days.

Mr Arafat, who is hoping that the

PNC will still leave him some negotiating flexibility, is anxious to avoid damaging splits between the different factions that make up the PLO. Some factions had earlier totally rejected the Reagan plan.

self-determination being expressed through association with Jordan. Mr Arafat and King Hussein of Jordan have held several rounds of talks to discuss how this idea might be carried forward.

THE LEX COLUMN

Blind faith on Wall Street

ripheral revisions of its M2 monetary aggregate on Friday suggest that the U.S. authorities want more time to assess their money supply problems. The money market deposit accounts, which will for the moment, therefore remain in M2. have surprised most people by over-taking the money market funds so quickly since their introduction in December. They have dramatically distorted M2, which rose an annua-lised 29.5 per cent in January. But the Fed seems to have concluded pact is needed before deciding if and how to adjust the aggregate to keep track of its underlying growth. In the meantime, M2 looks just as much a candidate as M1 for the quarantine bay where the narrower aggregate has languished since October. Finding a money supply fig-ure which will relate consistently to the economy over the long term

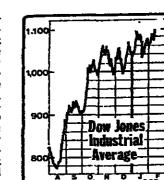
The Federal Reserve Board's pe-

looks as hard as ever. The more immediate problem. though, is that the U.S. bond and money markets have been deprived of a simple tool with which to fashion, however improperly, some consensus about future inflation trends. This has throttled Wall Street's weekly chorus of Fed watchers quite effectively, which is no doubt to the red's satisfaction. But it has happened at a rather

Warnings

Both M1 and M2 were clearly growing at well above their targeted ranges prior to the technical distortions which arrived in October and December. Fears exist that this could yet rekindle inflation and leave bond investors with the kind of losses incurred later by those who bought bonds in 1976, when inflation last dropped under 5 per cent. Just as warnings to this effect have been growing in urgency over the last fortnight, the markets find themselves confronted with a Fed indicating the need more than ever to consider a whole range of economic data and with money supply figures which may or may not represent a corrective move in the underiving rate of growth.

this basis, the evidence so far suglikely to go on seeking constant ground against which reassurance from the Fed - and this lower short-term rates.



at a time when the Fed's independence remains an acutely sensitive issue in Washington, requiring it to take note of the political pressures to reflate. It adds up to a demand-ing audience for Mr Paul Volcker when he addresses the Senate banking committee on Wednesday.

The Fed chairman referred publicly to the test of faith required of the bond market when he last ap-peared on Capitol Hill earlier this month to comment on the U.S. Budget. Unless Wall Street believes in a stable recovery, as he pointed out, arbitrary reductions in the discount rate could just be counterproductive, scaring the bond market with visions of rolling printing presses to fund the budget deficit and producing even higher long-term rates.

This still seems an unlikely course of events. The producer price index actually fell 1 per cent in January. In this kind of environment, even static bond prices imply rising real interest rates and there ought surely to be sufficient leeway in these circumstances for bonds to rally, given further discount cuts.

On the other hand, the government bond market in the last ten weeks has repeatedly broadcast its distrust of the Fed's new approach. Following the discount rate's cuts from 9% to 8% per cent, the long bond yield gained 50 basis points. There are many who see temporarily higher short-term rates as a necbond prices.

If the markets are going to be-could surely serve up the same even the monetary aggregates look lieve in a low inflation recovery on reassurance, though, and action on reasonably straightforward. Investhe deficit would certainly be the gests a slow conversion. They are most generally acceptable back through it all - but it could soon be ground against which to introduce

investors in equities have been put to a slightly different test of faith and their belief in an enduring economic recovery continues to hold. It has kept the bull market on its feet, despite budget deficits, recurring anxieties over the international banking system and Opec and a blizzard of adverse technical comment every time the Dow Jones industrial average has dared approach the 1100 level. However. those worries have kept the market in a nervous state. While bond prices have lost much of their early er volatility, it has not been uncommon for the industrial average to move 20 points or more during a single session, as it did again on

Traditional indications of a well advanced rally are thick on the ground, as well they might be after the live months rise in the industrial average which lifted it 4.5 per cent to the January peak. The sector-by-sector rotation of buying pressure has now taken up nimost all of the major stock groups and a brave optimism has had investors delving deep into the barrel this year. The Nasdaq index of shures traded over the counter climbed 8.3 per cent in the first five weeks. nearly three times the Dow's advance, while on the Big Board itself, some colourful cheap stocks have been regular fixtures on the most

Confidence

Predictons of a major correction still abound, therefore. But a full lit-any of economic statistics has pointed to solid growth in the first quarter, not least in Detroit, and share prices reflect confidence that it can be sustained. Companies' first-quarter operating results by this token will not be so readily excused the non-operating guins and losses which have deluged the 1981 reporting season in recent weeks

These have sprung, inter alia, from stock-for-bond exchanges, changed depreciation and tax loss essary indicator of some monetary laws and major asset disposals, as restraint and as a prerequisite well as the novel blessing of Lifo therefore for any renewed rally in profits in a disinflationary climate. Comparing some companies' results A reduction in the budget deficit from one year to the next has made tors have remained high time for a miracle or two from the U.S. economy.

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every case.

for money.

The PNC will be discussing both

The executive committee of the

Mr Reagan favours Palestinian

Harder choices, Page 15



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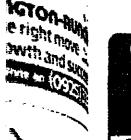
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SECTION II – COMPANIES AND MARKETS FINANCIALTIMES

Monday February 14 1983



INTERNATIONAL BONDS

Market stages mini-rally over U.S. inflation hopes

BY ALAN FRIEDMAN IN LONDON

THE EURODOLLAR bond market tories for the dealers to liquidate, con by providing an opening for a staged a mini-rally on Friday, the first truly encouraging day in three weeks. A 1 per cent drop in the U.S. producer price index (far greater than expected) suggested a declining inflation rate and spurred Eurobond dealers into action. Prices of many bonds were marked by %, % and even a whole point higher.

Europe is buzzing once again with hopes of a cut in the Federal Reserve Board's discount rate, and new issue managers were so emboldened by these hopes on Friday that they began speaking of a new issue "window" opening this week.

Some of London's less enthusiastic bankers warned, however, that before the market gets carried away with itself it will have to place the substantial overhang of new is-sues. "We still have plenty of inven-so save the Eurobood market's ba-od of time.

U.S. DOLLARS

SWISS FRANCS

Mitsubishi Electric **5‡ Town Sankides Corpn. ** Manitobs Prov. ‡

Denmark "1 Sunitomo Metal "1

Nishimatse Constr. "5 Asehi Chemical "5

Maiji Seika Kaisha **\$‡ Mitsai Mining **‡

* Net yet priced. ‡ Final terms. ** Place Note: Yields are calculated on ALSO basis.

Kurabo lods. **§‡

EHB ...‡

SEK ‡

YEN

D-MARKS

表示的复数形式

said one banker.

Credit Suisse First Boston's Hans-Joerg Rudloff was not among the optimists. He predicted on Friday that the market would "contract in a major way compared to last year". His argument is that much of Europe's bond buying power has been exhausted for the time

Other bankers point out that even if interest rates do decline, they are not confident that the decline will reach significant proportions in the near future. They also note that as the world's equity markets plough ahead, they will compete with bonds for the hearts and purses of investors.

Strong equity markets could pro-

CURRENT INTERNATIONAL BOND ISSUES

15

91/2

10.37

7%

1144 8

100 1993

1993

1988

1988

1988 1988

1989

1995

80 1995

greater number of equity-linked bond instruments - namely conver-

The Euro D-Mark bond market, like its dollar counterpart, also staged a recovery on Friday, which was lucky for SNCF, the French railway authority. Commerzbank launched the DM 100m SNCF issue, which bears a 7% per cent coupon over 10 years. The initial reception

was encouraging. Today sees the launch of a DM 100m issue for the City of Oslo through Deutsche Bank, and bankers in Frankfurt expect a coupon of around 7% per cent_depending on the maturity

Switzerland appears to be suffering from its own case of indigestion:

Morgan Stanley, Panbas

7.998

4.250 5.250 5.750

5.625

3.500

5.500

11,270

Hoyos starts a guessing game

By Our Euromarkets Staff

THE MOST talked about subject in the Eurobond market last week was the sudden resignation of Herr Friedrich Hoyos, one of Deutsche Bank's top Eurobond executives. The market's rumour mills started churning immediately, with any number of theories being advanced as to why Herr Hoyos, who has worked there for the past 15 years, should want to leave Deutsche Bank an institution which last year led nearly \$5bn worth of

On Friday evening Dr Wilfried Guth, one of the two spokesmen of Deutsche Bank's executive ard, said Herr Hoyos "leaves the bank with our full agreement for reasons of health for either six or nine months." Dr Guth went on to say: "Whether or not

Herr Hoyos comes back is open." Dr Guth's only other comment was that the resignation had nothing to do with such ques-tions as the bank's Eurobond strategy or its decision-making

There were those in Frankfurt who maintained on Friday, however, that the departure of Herr Royos - by all accounts one of Deutsche Bank's most able and hard-working executives - could not be explained by ill health

There has long been specula-tion that the bank might establish a major London bond market presence - a matter that is known to have been debated repeatedly within Deutsche Bank management. Yet this issue does not explain Herr Hovos' decision

According to Frankfurt bankers, some members of the Deutsche Bank Eurobond team have become demoralised by the bank's internal decision-making procedures

INTERNATIONAL CREDITS

Yugoslavia's deal moves slowly

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

YUGOSLAVIA's commercial bank reduce the country's need for new creditors are working hard to have their part of the country's \$4.5bn debt rescue package ready at least in principle for a new deadline of February 28 which has been imposed by the International Monetary Fund (IMF).

Leading creditor banks meeting in Paris last weak thrashed out a draft scheme to provide Yugoslavia with just under \$2bn in new loans and refinancing this year.

The other parts of the package in-clude \$1.3bn in credits from Western governments, a \$500m bridging loan from the Bank for International Settlements, \$600m in drawings from the IMF itself and a \$250m loan from the World Bank.

The bank's portion of the package will be put to a wider group of commercial bank creditors this week, and a further meeting of the 15-year co-ordinating group is expected to study their response within

But even if these reponses are favourable, bankers now say it will be well into the second quarter before the package can be signed and the money handed over to Yugoslavia.

This means the present 90-day standstill on repayments of principal by Yugoslavia will almost certainly have to be extended after it expires on March 31.

The commercial banks' share in Yugoslavia's rescue plan is intricately bound up with other slowmoving portions of the package. amounts of new loans, as opposed to refinancing, will depend in particular on the final shape of the Western governments' share of

Several governments have been resisting the idea of providing Yugoslavia with cash loans, and would prefer to offer it export credits instead. It is also uncertain how far governments are willing to extend maturities on existing export credits coming up for repayment this

Like cash loans, such extensions would have a positive effect on Yugoslavia's cash flow, and this would

loans from commercial banks, although the refinancing portion of the package would increase because some of the bank loans maturing this year are export credit loans guaranteed by Western gov-

Even when problems such as these have been ironed out, the banks face some potentially tough bargaining with Yugoslavia over their insistence that its National Bank guarantees the refinancing

and new loans. The country's central bank has always resisted this suggestion because of constitutional difficulties resulting from Yugoslavia's federal structure, yet the banks are ada-

"They will have to be able to do that," one Western participant at last week's talks said of the Yugo-

The refinancing itslef is expected to be for five years with a grace period of at least two years before any repayments begin, but until it is in place commercial bankers acknowledge that Yugoslavia will need an injection of cash to be able to meet interest payments on its \$19bn foreign debt and reduce outstanding

This is supposed to come from the \$500m bridging loan being pre-pared by the Bank for International Settlements, which has been delayed because of problems with collat-

The BIS wants Yugoslavia to pledge its gold reserves to cover \$200m of the loan, but this is proving difficult because of "negative pledge" clauses in existing loan agreements between Yugoslavia and commercial banks that prevent preferential treatment being given to the BIS in this way.

Yugoslavia has begun to ask commercial banks to waive these negative pledge clauses. Bankers say the request is being treated "sympa-

Despite their optimism on Friday night, bankers attending the Paris meeting pointed out that the entire

package remains highly complex. negotiate separate side agreements with individual Yugoslav borrowers very strong.

This is reported to have happened already in a number of cases and, as a result, the Paris meeting drafted a memorandum to be signed by creditor banks which will pledge them to respect the payments standstill and not to seek repayment from individual borrow-

International Capital Markets Review

Elsewhere, bankers are mulling over the performance of the jumbo credits now being digested by the Eurocredit market in an effort to gauge whether margins will hold steady at the new levels established by such borrowers as Sweden and Denmark, or whether they will

have to move higher still. Several bankers suggested on Friday that Denmark's \$1.3bn credit which attracted a lot of support at lead manager level, had met with a disappointing response in syndi-

Sales of the loan in the market amounted to \$311m, of which \$143m came from Japanese banks and 5168m from elsewhere, with a markedly poor response from banks in ited interest from U.S. regional banks.

Pessimists argue this shows that smaller participants in the market in its efforts to restore short-term remain unwilling to enter new deals. Besides the lack of interest while Mexico is understood to have from French, most German and made a firm commitment to provide many U.S. regional banks, they are foreign exchange to cover principal also worried about the declining repayments of private sector borshare of Japanese banks in new Eurocredit deals.

Lack of centralised control makes Ministry in Tokyo, Japanese banks, the temptation for some banks to which used to take up to half of every individual credit, have now reduced their share to around one-

> This is bound to put further upword pressure on margins, the argument goes, although the other side of the coin is that some of the latest deals have shown a very positive response at lead manager level, including the latest 51bn credit for Indonesia, which by Friday had attracted 23 firm commitments from

> Those who view the market more optimistically claim that this response is in itself an indication of the changing structure of the syndicated loan market.

In the present difficult climate, the underwriting coamitment on large deals is being shared out among a much larger number of lead managers, some of which are medium-sized banks that would previously have entered jumbo credits at the second-tier "manager"

With fewer banks opting in at this level a false impression of poor market sell-down is being created.

Either way round there is no denying that the market has become much more selective. Some banks have made a policy decision to stay away from sovereign lending which might not be reversed even by higher margins. An even better test of the mood

will come with deals for Mediterranean countries.

There is always the risk that the market could be further destablised by new shocks from Latin America. continental Europe and very lim- Yet for the time being last week's news from this quarter was gen-

erally positive. Brazil has made further progress credit lines to foreign banks abroad, ers who agree to restructure their debt along approved lines.

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February 1, 1983

All of these securities have been sold. This announcement appears as a matter of record only.

U.S. BONDS

Dealers reassured despite jump in money supply

meeting last week, decided to continue with its more flexible

Fed is likely to have decided last week to encourage some

easing in money rates soon, which could include a reduction

in the discount rate, currently 8.5 per cent.

the January producer price index reported last Friday was

an added boon to a market which continues, despite every thing, to display a good measure

of nervousness-or "the Wall Street wall of worry" as it is

commonly called these days.

But the wall of worry seems

to permeate the FOMC as well. The December minutes showed

that although heavily out-numbered, two members voted

against the decision to con-tinue the Fed's more accommo-

funds,' due to the popularity of

the new money market deposit

accounts, it appears to be far

from nonchalant about the latest explosion in M2 growth.

Indeed, the central bank dis-closed on Friday that FOMC

committee members held a special telephone conference on

January 28 to discuss the very sharp (ise in M2.

Despite what the Fed calls "a massive re-distribution of

growth.

The record 1 per cent fall in

dumped 23 inches of snow on at commercial banks, the Fed New York last Friday paralysed said greater growth on M2 was the entire city — but not before acceptable. It has decided to the Federal Reserve Board had allow M2 growth of about 91 reported an equally ominous per cent at an annual rate from \$5.90n increase in the MI December to March, money supply and an even more whopping \$48.10n rise in the broader money measure, meeting last week, decided to continue with its more flexible.

The credit markets had little approach to monetary policy nance of reacting properly to and that Mr Volcker will The credit markets had little chance of reacting properly to these figures since most investors and many dealers had already set out for home in the snowstorm. Yet big as the numbers were, the huge rise in M2 was within the range of \$5.9bn increase in M1, Mr \$50bn forecast a week or so ago by Mr Paul Volcker, the Fed chairman. The M1 increase, however, was larger than anticipated.

Far more reassuring were the minutes of the Federal Reserve them as it has done in the past.

The Fed will maintain the money growth targets unchanged rather than lowering them as it has done in the past.

Open Market Committee The Fed has clearly become (FOMC) meeting in December, more pragmatic, and Mr Braver which were also released on man expects it to ease its stance further in the next month or so. making arm of the Fed agreed to continue to tolerate growth Salomon Brothers, also says the

U.S. INTEREST RATES Week to Week to Feb 11 Feb 4 Fed Funds wkly. av. 8 50 8 59 3-month Trees. bill ... 8,12 8.15 3-month CD ... 8.65 8.60 30-year Trees. bond... 17.13 11.29 AAA Utility ... 12.25 12.25 AA Industrial ... 12.00 12.00

somewhat above the monetary target ranges and to maintain its current flexible approach to money supply growth.

That, coupled with another one of those inspired leaks after the Fed's supposedly top secret FOMC meeting last week, suggested that Mr Voicker is unlikely to spring any nasty sur-prises on Wednesday when he vill lay out in detail the central bank's posture during his annual appearance before Congress to report on monetary

The December FOMC Minutes showed that the Fed had maintained its market intervention policy unchanged. Fed fund rates were again allowed to move in a range of 6 to 10 per cent. This week they traded at an average of 8.5 per cent. Because of the distortions to M2 from the success of the new

Massey-Ferguson changes U.S. marketing strategy

machinery manufacturer, has ing t launched a new marketing and costs. tural equipment market based on a major reorganisation in the way it does business with its dealers.

hy Massey to supply its dealers as part of in the U.S. with all the products gramme. the market demands. That is not to say Massey will manufacture in-house a complete range of products for its dealers. "What we have said is, we will provide a complete range but some of the products may be bought from other manufac-turers," according to Mr Peter Collins, a Massey executive.

policy by dropping its previous rival was imminent. The insistence on treating all its Canadian company's position U.S. dealers alike. Instead, thus appeared remarkably simi-Massey is planning to tailor its relations with dealers to the specific needs and size of each one. The concept of telephone

MASSEY-FERGUSON, the man- into massey's relations with the tolling the company of help-discussions with a number of machinest manufacturer, has me them to lower overhead other manufacturers on possible

These changes were plained to Massey's dealers last week, when the new marketing way it does business with its and sales approach was launched dealers.

One of the key aspects of has withdrawn from all manufacthis programme is a commitment turing operations in the U.S. as part of its restructuring pro-

> The Canadian company has also confirmed that it has been talking to several rival farm equipment makers, including the equally troubled International Harvester of the U.S., about possible joint ventures or other forms of collaboration. But Massey said that no joint

venture agreement with Inter-Massey is also changing its national Harvester or any other one. The concept of telephone in his first interview to an compared to a loss of \$299m in marketing is to be introduced American newspaper last week the same quarter of 1982.

MASSEY-FERGUSON, the finan- into Massey's relations with that the company was holding

joint ventures.

Speculation about a possible major deal between IH and Massey has been rampant in reweeks, helping to put the spotlight on the troubled U.S. company's shares on the New York Stock Exchange.

According to Massey, reports of a possible link with IH have largely stemmed from a recent article in an Iowa newspaper suggesting that Massey was interested in acquiring heavy tractors manufactured by IH. Mr Collins, however, said no such discussions between the

two companies had taken place and that Massey is bringing the heavy tractors it manufactures in France to sell in the U.S. Canadian company's position thus appeared remarkably simi-lar to that of International Har-to report later this week a loss vester the new chairman of for the first quarter, ended which, Mr Donald Lennox, said January 31. of under \$150m.

CN reviews its C\$60m investment in Cast

By Robert Gibbens In Montreal CANADIAN National Railways is conducting key nego-tiations " with other parties" which could affect its C\$60m (U.S.\$49m) investment in the Swiss-based Cast shipping group which is controlled by Mr Frank Narby. Because of this the Canadian Transport Commission has delayed until

Commission has delayed until April 5 its public hearings on CN's involvement in Cast.

Canadian National Railways has faced constant sniping from Halifax, N.S., which claims Cast has received unfair benefits from the Federally-owned railway. Cast operates the largest single container operation out of Montreal. It draws its blue

hoxes from the Midwest and as far south as St Louis. Because of rising rail haulage costs between Halifax and Montreal, in relation to cost of bringing a container vessel up the St Lawrence, Montreal has been steadily taking con-tainer traffic from Halifax.

Motobecane likely to file for bankruptcy

BY DAVID HOUSEGO IN PARIS

MOTOBECANE, the French moped manufacturer, said vesterday that it is likely to file for bankruptcy before the end of the month after failing to meet some FFr 20m (\$2.92m) of payments due on February 10.

The company, whose mopeds are sold in 80 countries, is still are sold in 80 countries, is still hoping it will be saved by state intervention, further assistance from the banks or by an unnamed benefactor. "We could still be blessed with manna from heaven." an executive said yesterday.

Motobecane ran up losses of over FFr 20m in 1981 on a turnover of FFr 900m (\$131.7m). Turnover rose to FFr 935m last year, but losses had already reached nearly FFr 18m by the end of the first half first half.

The group's immediate diffi-culties came to light when the chaluman, M Jean Claude Noblet, resigned earlier this week after the government turned down a restructuring programme that he had put forward requiring a substantial

cash injection and a large number of redundancies Since his decision there has been speculation that a rescue operation might be mounted or that the employees might take over the running of the com-pany, as in the case of Manufrance. Motobecane's difficult's are the result of a stack market

Last year Motobecane signed a preliminary production and marketing agreement with Yamaha of Japan to develop mopeds jointly. Shortly afterwards, M Marcel Dassault, the aircraft magnate, unexpectedly reduced his holding from 40 to 11 per cent, though the purto 11 per cent, though the pur-chaser of his shares remains unknown.
Motobecane produced 224,000

mopeds last year compared with 217,000 in 1981. It also in each year produced about 470,000 bicvcles. Motobecane said late last

week that it would maintain production but that disruptions were possible.

Chairman of Hong Kong trade body



Miss Lydia Dunn, chairman of the Hong Kong Trade Development Council.

 Miss Lydia Dunn has been appointed chairman of the HONG KONG TRADE DE-VELOPMENT COUNCIL in succession to Sir V. K. Kan. She merchandising division. These takes up the appointment on moves are being made in pre-paration for an orderly succes-

tive council last year. She is chairman of the special committee on land supply, of the board of The Prince Philip Dental Hospital and treasurer of the Chinese University of Hong

Miss Dupn is a director of John Swire and Sons (HK), an executive director of Swire Pacific responsible for trading division companies in the Swire Group. She is also a director of the Mass Transit Railway Corporation and of the Hong Kong and Shainghai

● Mr Tad M. Annenberg has been elected corporate vice-presi-dent of F. W. WOOLWORTH CO and named deputy general coun-sel. He was previously part of Nabisco Brands law department. GERBER PRODUCTS CO has elected Mr Carl G. Smith as chairman and chief executive officer, succeeding Mr Arthur J. Friends, who has become chairman of the executive committee. Mr Smith, who is president and chief operating officer, will be replaced by Mr Leo D. Goulet, executive vice-president and general manager of the general

INTERNATIONAL APPOINTMENTS

a member of the Hong Kong sion of duties at the time of Legislative Council since 1976 Mr Friends' retirement on June 1. and was appointed to the execu-Mr Donald Sipes has been appointed chairman and chief executive officer of UNITED ARTISTS CORP, part of MGM/ UA Entertainment. Mr Sipes was president and chief operat-ing officer of MGM Film Co.

Mr Peter Leibowits has resigned as president of CADIL-LAC FAIRVIEW SHOPPING from March 1. Mr Alexius C. Conroy, executive vice-president. will replace him as president.

• Mr Hugh Roberts has been appointed manager and senior vice-president of NATIONAL WESTMINSTER BANK'S Housion office and North American energy unit. He succeeds Mr Malcolm Yewdall who is returning to the UK. Prior to his new appointment he was a manager in the London-based energy section of international banking division. tion of international banking division having also worked for the bank in Los Angeles, San Francisco and Chicago.

Mr Charles D. Hoertz Jr has been named president of ASH-LAND DEVELOPMENT INC. Mr Hoettz is responsible for the activities of Ashland Development, a subsidiary en-gaged primarily in new ventures and investments apart from Ash-land Oil's traditional husinesses land Oil's traditional businesses.

He was named vice-president of Ashland Synthetic Fuels Inc in 1976 and became its president in 1978. He succeeds Mr David C. Williams, who has retired. Ashland Development is a wholly-owned subsidiary of Ashland Oil Inc.

Mr Cliff Passmore has left the Diasonics organisation where he was president, international operations, based in the Netherlands, to become director of marketing in the KONTRON ORGANISATION, based in

S INTERNATIONAL VIDEO CORP has named Mr John A. Sparkman president and chief operating officer, succeeding Mr O THE STANDARD OIL COM-PANY (OHIO) has elected Mr Roy A. Melechenry vice-president, finance and treasurer. Prior to joining Sohio, Melec-henry had been vice-president and treasurer of InterNorth Inc (formerly Northern Natural Gas Co) since 1978.

Mr Donald E. Guinn has been elected to the board of AMERICAN MEDICAL INTERNATIONAL INC, the California-based company. Mr Guinn has served as chairman of the board

and chief executive officer of Pacific Telephone & Telegraph Co since 1980. • Mr Richard B. Stanger has been appointed director of the PRICE WATERHOUSE federal

tax services pension and em-ployee benefits consulting group. Mr Stanger will be responsible Mr Stanger will be responsible for tax consulting related to pension and retirement plans, executive compensation, and employee benefits.

Prior to joining Price Waterhouse, Mr Stanger was a partner in the law firm of Nossaman, Krueger and Knox in Washington, DC and Los Angeles. From

ton. DC and Los Angeles. From 1977 to 1980 he was a Legislation Attorney for the United States Congress' Joint Committee on

Taxation.

EXPORT-IMPORT BANK of the U.S. has elected Mr James R. Sharpe, senior vice president—direct credits and financial guarantees and Mr Raymond J. Albright to vice president. Asia. Both are expected to assume their new duties on February 20. Mr Sharpe, who has been deputy assistant secretary of Commerce for Industry Projects since July 1982, will be responsible for the bank's long-term financing programmes, assisting major export

Mr Albright, vice president for Europe, Canada and China, has been acting head of direct credits and financial guarantees since September 1982. As vice president for Asia, he will succeed Mr Charles E. Bosston, who has retired and will oversee the bank's activities in Asian nations including China.

The Export Import Bank of the U.S. is an independent agency of the U.S. Government which assists in financing U.S. export sales.

• Mr Kendall R. Peck has been elected group vice president, business development, of RAY-MOND KAISER ENGINEERS INC., a wholly owned subsidiary of Raymond International Inc. of Raymond International Inc. He was vice president, business development, for Raymond Kalser Engineers' heavy industry group, responsible for sales activities in aluminium, steel and power. Other new appointments in the new sales organisation are: Mr William P. Linforth, when president domestic husiness. vice president domestic business development, and Mr Ricardo E. Cesped, vice president, international business development.

 BANQUE DE DEPOTS. grammes, assisting major export sales to all parts of the world, for liaison with other U.S. agencies, and for the bank's negotiations with foreign export credit agencies.

All of these Securities have been sold. This announcement appears as a matter of record only.

U.S. \$100,000,000

Warner-Lambert International, N.V.

104% Guaranteed Notes Due 1990

Payment of principal, premium, if any, and interest unconditionally guaranteed by

Warner-Lambert Company

MORGAN STANLEY INTERNATIONAL UNION BANK OF SWITZERLAND (SECURITIES)

ALGEMENE BANK NEDERLAND N.V.

SOCIETE GENERALE DE BANQUE S.A.

BANK BRUSSEL LAMBERT N.V.

BANQUE NATIONALE DE PARIS

CREDIT SUISSE FIRST BOSTON

DEUTSCHE BANK

DRESDNER BANK

MORGAN GRENFELL & CO.

NOMURA INTERNATIONAL

February 8, 1983

SOCIETE GENERALE

SWISS BANK CORPORATION INTERNATIONAL

FT INTERNATIONAL BOND SERVICE

		Sharan on	
J.S. DOLLAR		Change on	World Bank 52
	issued	Bid Offer day week Yield	World Bank 61
4mex O/S Fin. 141, 89	75	1104 1104 + 04 + 14 11.74	Average pr
Amro Bank 13 89	200	104\; 104\; +0\; +0\; 11.93	
SHP Finance 14% 89	150	1057, 1074 +04 +14 12.98	[
British Col. Hyd. 14% 89	200	7711, 112 +13 +14 11.94	YEN STRAIGHT
British Col. Hyd. 154 92	150	1141, 115 +01, +07, 12.46	Australia 8% \$
aneda 14% 87	750	1707 1114 +04 +1 10.97	EIB 84 92
anadair 121, 89	175	104 1042 +05 +04 11.53	Japan Airlines
anadian Wheat 114 90	33	981 991 +012 +014 11.46	New Zealand 6
an. Pac. Ltd. 144 92	75	1071 1077 +04 +04 13.12	World Bank 8's
an, Pac. Sec. 15 89	75	1081, 1091, +04, +11, 12,80	Average pr
iticorp O/S 15 84/92	100	104, 104, +04 +0, 10.52	Year-Se by
Coca Cala Int. 9% 92	100	232 244 +1 +11, 10.90	
oca Cola Int. 11% 89	100	1053, 1064, +03, +07, 10.45	OTHER STRAIG
,008 Color Int. 114 60	100	100 100 +0 +1 10.35	Br. Col. Tel. 17
redit Suisse 101, 89	300	1087 1097 +04 +04 12.10	Can. Utilities 1
eutsche Bk F. 144 89		001 001 TUT TUT 12.10	Gaz de France
u Pont 114 95	150	981, 991, +01, +01, 17.42	Gaz Metro 1412
Du Pont 144 89 WW	200	1071, 108 +0% +0% 12.29	
DC 104 88	100	99 991, +01, +01, 10.94	OKB 164 88 C
DF 124 87	150	103 103 +04 +04 11.77	Quebec Hyd. 1
EC 111, 95	200	974 974 +04 +04 11.92	Swed. E. Cr. 12
IB 15 ¹ 2 92	100	1124 1124 +04 +17 13.10	Ireland 12% 90
жр. Dev. Срп. 11%, 87	100	101% 102% +0% +0% 11.18	Thom, Bd. 1212
orsmarks 134 92	75	1031 1041 +1 +11 12.99	Amtas 912 87 F
iaz de France 124 93	175	17' 18' +0'4 -0'4 12.56 13': 14 +0': +1': 10.89	Amro Bank 91-
Sen. Elec. Crodit 9% 91	100	131: 14 +01: +11: 10.89	Neder, Midbk.
ien. Elec. Credit 12 89	100	105' 105' +0 +1 10.74	Nedlloyd Gp. 10
setty Oil Int 14 89	125	107 1075 +05 +05 12.23	Van Lanschot 1
MAC O/S Fin, 10 90	200	965 97 +03 +03 11.19	World Bank 10
MAC 0/S Fin. 15 87	100	1087, 1094, +04, +04, 12,08	OKB 14 86 FF
MAC 0/S Fin. 15 89	125	112 1124 +04 +14 12 06	Solvay et C. 14
ulf Oil Fin. 124 87	100	1042 105 +02 +07 10.85	BFCE 147, 87 C.
BM Wid. Trade 124 92	200	109% 109% +0% +0% 10.58	CECA 13- 88 £
loyds Euro. 1112 94	100	181 181 +14 +04 11.75	CNT 127 89 £ . EEC 117 91 £ .
Aanitoba Prov. 114 89	125	1024 1024 +04 +04 11.18	EEC 11% 91 £.
fanitoba Prov. 13% 89	100	1081, 1081, +01, +01, 11.82	Fin. For Ind. 12
Aidland Int. F. 112 92	150	981, 991, +01, +03, 11.65	f. Met. Oranj, 1
lat. West. Fin. 11% 92	150	1005 101 +04 +1 11.59	Gen. Elec. Co. 1
lew Brunswick 15% 87	75	1117, 1117, +0% +0% 11.70	Hiram Walker 1
lewfoundland 15', 90	75	1104 1104 +07 +07 17 17 18	Mort. Bk. Fin. 1
lova Scotia Pr. 154 89	75	1117 1124 +04 -04 12.37	Norsk Hydro, 12
ntario Hydro 114 89	200	1013 1017 +05 +1 10.89	Norsk Hydro, 1
Intario Hydro 12% 92	200	1044 1044 +01, +01, 11,91	Quebec 141, 89
Intario Hydro 15 92	150	1144 1144 +04 +04 12.99	SUK France 154
rudential O/S 12% 87	150	105% 106% +0% +1 11,03	SNCF 1112 89 £.
uebec Hy 111, 92 (D)	100	981, 991, +01, +01, 11.68	Tenneco Int. 14
, J. Reynolds 121 89	100	1047, 1054, +04, +04, 11.57	World Bank 113
	150	112 113 +0, +0, 12.59	Eurofima 1012 8
askatchewan P. 15 92	125	108 1085 +13 +13 12.77	Europaret 121 ₂ 9
hell Canada 14% 92		1074 1084 +04 +04 12.10	
uperior 0/\$ Fin. 14 89	125	107 107 + 04 + 14 13.10	FLOATING RATE
wed. Exp. Cr. 144, 90	100 125	994 1004 +04 +04 10.27	NOTES
wiss Br. Cpn. 10% 90	200	102% 103% +0% +1% 9.87	Bk. of Tokyo 5
B\$ 104, 87	150	1027, 1034, +03, +11, 10,21	BFCE 54 88
IBS 11 89	75	1034 1044 +07 +1 11.54	8FCE 54 87
Valt Disney Pr. 121, 89	200	974 974 +04 +05 11.44	Caisse Nat. Tele
Vorld Bank 10% 90	100		CCCE 5% 2002 .
Vorid Bank 114 98 Vorid Bank 134 87	300	95% 95% +0% +0% 11.75	CEPME 54 92
Austria price 4		1057, 1061, +01, +03, 11.43 day +01, on week +01,	CEPME 54 93 . Chemical NY 5
MAGICAGE BURES CHAIN	V∏	CALL AND MARK LAST	Chemical NY 57

SWISS FRANC

STRAIGHTS

SFCE 6% 92

Chugoky E, Pow. 6% 91 100

Chugoky E, Pow. 6% 92

..... 100 101 101½ +5½ -0½ 5.35 | EUROBOND TURNOVER

Sweden 5, 88 O. 99 597, 28/2 11.81 11.90

COMMUNICATION CONTROLL C

9,129,8 17,402,6 Test week..... 9,129.8 17,402.8 Previous week 10,095.5 14,433.1 Other bonds
Last week..... 1,167.8 837.3
Castoweek 848.1 759.3

 No information available previous day's price. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week= Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld ≈ The current

CONVERTIBLE BONDS: Denominated in dollars unless
otherwise indicated. Chg. day =
Change on day. Cnv. date = First
date for conversion into shares.
Cnv. price = Nominal amount of
bond per share expressed in
Currency of share at conversion
rate fixed at issue. Prem = Percentage premium of the current centage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredictbank NV: Credit Commercial de France: Credit Lyonnais; Commerzbank AG; Deutsche Bank AG: Westdeutsche Landesbank Girozentrale; Banque Generalo da Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg;

UK COMPANY NEWS

TIM DICKSON LOOKS AT A TAX SAVING INVESTMENT

Little Aston Hospital to come to unlisted market

ANOTHER private hospital is coming to the Unlisted Securities Market, Some 650,000 shares will shortly be offered to the public in Little Aston Hospital, a company which already has detailed planning permission to build a private hospital on a site build a private hospital on a site at Sutton Coldfield in the West

The total issued share capital will be 1.5m shares, out of which consultant medical practitioners within the catchment area have

vestors do not receive tax relief

Ozalid back in the black at £2.46m

graphic activities beginning to show through Ozalid Group Holdings finished the year to November 30, 1982 £2.46m in the black at the pre-tax level, a swing of f7.42m on the f4.96m deficit incurred previously.

The reorganisation, carried out over the last two years, reduced operating costs by \$11.23m to \$37.72m during 1981-1982 and with the policy of concentrating group activities in the reprographic market, and the closure of Ozalid Business Forms, it has now been com-pleted.

pleted.
Turnover for the year totalled £41.57m (£46.53m) and operating profits emerged at £2.76m (£4.26m loss). Apart from operating costs depreciation took £1.09m (£1.85m) and interest charges £1.18m (£1.22m). There was again no tax charge

but extraordinary debits were reduced from £3.24m to £1.13m. Under this scheme individual committee of consultants in the investors can claim relief at their top marginal rate of income tax on investments in a new communities of building a pointed out that there should be hospital. It is intended that the some activity in the other shares.

Superdrug share offer at 175p

BY DOMINIC LAWSON

Superdrug Stores is to become family are selling between 18 the first company — privatisations apart — to obtain a full stock Exchange listing since the beginning of last November.

Stock Exchange listing since the beginning of last November.

Baring Brothers is offering for sale 8.8m shares in the company Superdrug's recent track record sale 8.8m shares in the company. at 175p per share, payable in full on application. The shares offered represent just over 25 per cent of the company, the minimum possible under Stock Exchange regulations. At the placing price, Superdrug is capitalised at £61m.

The company was founded by brothers Peter and Ronald Gold-stein in London in 1966. Three further members of the family are currently on the board.

Since 1971 Rite Aid Corporation 2 U.S. company listed on tion, a U.S. company listed on the New York Stock Exchange, bas been a substantial shareholder with non-executive repre-sentation on the board. Follow-ing the offer for sale Rite Aid's stake in the Superdrug equity will be reduced to about 2S per

Superdrug's profits in the five years to February 1982 have risen from £1.36m to £4.41m. The comfrom £1.36m to £4.41m. The company expects that profits before tax for the year to February 26, 1963 will be not less than £5.2m on sales of £81m. At the offer for sale price of 175p, and on the basis of fully taxed earnings per share of 7.13p, the PE ratio prospective is 24.5.

pective is 24.5.

The directors intend to recommend total dividends for the year to February, 1984 of 3.5p per share, of which 1.4p would be the interim payout. This would represent a gross yield of 2.86 per cent at the offer price. In the current financial year, Superdrug has opened 25 new. Superdrug has opened 25 new stores, most of which are expected to become profitable within 18 months of their open-

ing.
Asked whether Rite Aid would in future attempt to take over Superdrug, Mr Grass, the Rite Aid president said "you never can tell, but at this stage we have

no such intention."
Superdrug joint chairman Mr
Ronald Goldstein, insisted "we have no plans to acquire similar chains. We are better off continuing to grow organically."

Members of the Goldstein

\$250,000,000 J.P. Morgan International Finance NV

Guaranteed Floating Rate

Subordinated Notes Due 1997

For the three months 14 February, 1983 to 16 May, 1983

the Notes will carry an interest rate of

9½ per cent. per annum.

Interest payable on the relevant interest payment date. 10 May, 1983 against Coupon No. 4 will be U.S.\$240-14 By: CITTBANK, N.A., London

Agent Bank

comment

is impeccable, although trading margins are not what they were a few years back. Any potential investor at least knows what he will be putting his money in. Superdrug has hit on what appears to be a very successful retailing formula and one from which it has no intention of being diverted. Superdrug is not the sort of company to wave a big cheque at one of yesterday's superstores. Not that Superdrug doesn't have the readies. Last year interest receivable was a sumptuous £719,000. Indeed, this does raise the question of why
the family Goldstein came to the
market. No money is being
raised, and the official prospectus reasons are, if not completely
obscure, certainly anything but obscure, certainly anything but obvious. At an ultra-aggressive 24.5 times prospective earnings, Superdrug should really grow as quickly over the next five years as it has so impressively over the past five. Discount retailer it may well be, but there is noth ing cut price about the shares.

GORDON AND GOTCH

Gordon and Gotch Computer Centre, a wholly-owned subsidiary of Gordon and Gotch Holdings, has reached agreement to purchase the business and assets of ware house, Comex Communica

BOARD MEETINGS

The lollowing companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interime or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY
Interims: Murray Caledonian Investment Trust, Press Tools, A. J. Worthington.

ington. Finals: Broadstone Investment Trust

Finals:	
Anglo American Industrial	Mar 11
Bairstow Eves	Mar 8
Finals: Anglo American Industrial Bairstow Eves Barclays Bank	Mar 7
Hadland	Feb 16
Investment Trust of Guernsey	Feb 16
Loveli (G. F.)	Feb 24
Hadland	Mar 1
100,01 11120.0	

FT Share Information

The following securities have been added to the Share Information Service: ments (Section: Finance, Land). Inn Leisure Group (Hotels). Shiloh (Industrials).

> LADBROKE INDEX based on FT Index 656-661 (+4) Tel.: 01-493 5261

> > Issued and

fully paid

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

ELECTRONIC COMPONENTS P.L.C.

(Incorporated in England under the Companies Acts 1948 to 1981)
Registered No. 1663364

SHARE CAPITAL Anthorised

£400,000 in Ordinary shares of 10p each £500,000 In connection with a Placing of 680,000 Ordinary shares of 10p each at 38p per share by Smith Keen Cutler, application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the issued share capital of HB Electronic Components P.L.C. in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to listing

Particulars relating to the Company are available in the Extel Statistical Services and copies of the prospectus may be obtained during normal business hours on any week-day (Saturdays excepted) up to and including 28th February, 1983 from:—

SMITH KEEN CUTLER

Exchange Buildings Stephenson Place 52 Corphill Birmingham B2 4NN London EC3V 3NR

M. J. H. Nightingale & Co. Limited

7/28 Lova	t Lane London EC3R	8EB	7	eleph	one	<u>01-62 i</u>	1212
				_		P/5	
£0000's	_		Change				fully.
epitalisation	n Company	Butce	on week	địv. (p	%	Actua:	Taxed
1,383	Asa, Brit, Ind. Ord	139	+2	6.4	4.6	8.1	10.6
-,	Ass. Bot. Ind. CULS	156	+2	10.0	6.4	_	_
3,994	Airsprung Group	69	+2	61	8.8	7.8	13.5
850	Armitage & Rhodes	34	-3	4.3	12.6	38	6.7
18.330	Bardon Hill	300	+7	11.4	3.8	12.8	15.9
1.650	CCL 11pc Conv. Pref.	132	+5	15.7	11.9	_	_
3.794	Cindico Group	240	-1	17.6	7.3	9.7	10.9
4.179	Deborah Services	54	-1	6.D	71.1	3.6	9.6
5,237	Frank Horsell	80	+2	_	_	6.7	7.2
0,22.	Frank Horsell Pr Ord 87	79	+2	8.7	11.0	6.6	7.1
9.823	Frederick Parker	68	-1	6.4	9.4	3.5	66
	George Blair	35	_	_	-	6.1	12.7
	Ind. Precision Castings	74	-1	7.3	9.9	9.5	11.9
	Isis Conv. Pref	147	+5	15.7	11.1	_	_
	Jackson Group	128		7.5	5.8	3.9	8.2
	James Burrough	184	+5	9.6	5.2	13.4	15.0
	Robert Jenkins	170	-2	20.0	11.B	1,9	27.0
	Scrumone " A "	73	<u>~</u>	5.7	7.8	9.5	71.4
	Torday & Carrisle	113	-2	11.4	10.1	5,1	8.7
	Unilock Holdings	257,		0.46	1.8	_	
	Walter Alexander	70	-2	6.4	9.1	5.0	7.2
4.45		259	+4	14.5	5.6	6.8	13,6
6,045	W. S. Yestes Prices now svailable		-			0.0	

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years.

Interest paid gross, half-yearly. Rates for deposits received not later than TERMS(years) 3 4 5 6 7 8 9 10 INTEREST ": 101 101 101 101 111 111 111 111 111 Deposits to and further information from The Treasurer, Finance for Industry plc, 91 Waterloo Rd., London SEI 8XP (01-928 7822, Ext. 367). Cheques payable to "Bank of England, & FFI" FFI is the holding company for ICPC.

RECENT ISSUES

EQUITIES

price	Lafest Reruns. date	,	2:3 Low	Stock	Closing	+ <u>o</u> r	Net. Div.	Covered	Gross Yield P.E.
100 F 100 F 130 F 190 F 155 F 193 F 120 F 11012 F	P. 13/1 P. 22:4 P. 21/1 P. 14/1 P. 4:5 P. 7:1 P. 4:2 P. 2 P. 18:2 P. 3:3	17½ 105 158 215 598 255 198 125 78	140 12 100 103 155 330 200 145 106 265 21	*Asitic Leasing So *Booth (Charles Sp. *Booth (Charles Sp. *Klandermoor As *Ganvermoor Leasing Sp. *Merrogen *Munford & White. *Resource Tech 10p *Swindon Priv Hos Li *Tops Estates 10p *WightCollins S10p *Vorks &Lancs. Wrints	175 143 215 835 250 175 105 303	-13 -2 -5 +15 +5	53,64 53,64 54,0 54,0 52,6	2,0 5,6 2,9 2,4	1,8 17,4 3,6 16,2 1,1 25,4 1,7 27,6 1,5 49,5 - 35,6 - 1,5 33,8

FIXED INTEREST STOCKS

99.431 £20 10.4 21% 12 Birmingham 111.7 Red. 2012. 153 4 £10 24.3 111 11 £ast Surrey Water 7; Red. Pref. 1989 1 8 7 £10 - 10 10 Mid Sussex Water 7; Red. Pref. 89 90 10 90 Nationwide Bdg. Soc. 111.7 Bds. 152 84 100 10 10 10 11 11 Bds. 152 84 100 10 10 10 10 11 11 Bds. 152 84 100 10 10 10 10 10 10 10 10 10 10 10 10	ιı								
88 Anglo-Nordic 10: Cnv. Uns. Ln. 1989 92 88 Anglo-Nordic 10: Cnv. Uns. Ln. 1989 92 87 97.504 #25 45 291 1514 BOC 12144 Uns. Ln. 2012 17. 191, 199, 431 #20 104 215 12 Birmingham 111-7, Red. 2012. 13 13 14 11 East Surrey Water 7; Red. Pref. 1989 11 8 4 110 - 10 10 Mid Sussex Water 7; Red. Pref. 1989 90 10 90 Nationwide Bdg. Soc. 11 14 18 100 10 10 10 10 10 11 11 18 85 13 2 84 100 10 10 10 10 10 10 10 10 10 10 10 10	3	price	; Éã	Latest Renuno date	!			Closing price £	±°
15 F.P. 18/2 90 85 Transcont. 9: Cnv.Ret.Uns.Ln,Nts.1991 88	20 20 20 20 20 20 20 20 20 20 20 20 20 2	97,504 99,431 — — 697,174 96,55	£25 £20 £10 F.P. £10	4.5 10.4 24.3 — — — 6.5 8/7	92 291: 21:6 11:4 130 10 100: 25:4 26:4	88 153 12 11 86 10 99 100 22 231	Angio-Nordic 10: Cnv. Uns. Ln. 1988 BOC 124; Uns. Ln. 2012.17; Birmingham 111: Red. 2012. East Surrey Water 7; Red. Pref. 1988 European Inv. Bk. 11: Ln. 2002. Mid Sussex Water 7; Red. Pref. 98 90 Nationwide Bdg. Soc. 11 in Bdg. 22 1 84 Do. 11 in Bds. 11: 24. Pearson : St 14; Uns. Ln. 2007. Sweden 13; Ln. Stk. 2010.	19:1 13:1 10:1 100 100:25:1 26:1	- 12

"RIGHTS" OFFERS

issue ·		Rer	test Nunc. ate	198	12.5	Stock	Closing	+ 01
	Āğ	. •		High	Low	•	융=	_
250	NII	26:2		45pm	25pm	AGB Research 10p	45 pm	-
26		28/1	18/2	· 370	94	Arien Elec	355	- 11
90	F.P.	'2B:1	1B:2	127	10B	Bellway.	127	- 2
50	F.P.	8,2	9:3	- 55		Cluff Oil 'B'	47	-ī
73 -	Nil					Dominion Int. 20p.	17pm	
90	NII	21/2	7:4	540m	3000	Crosupson Capus	42pm	
<u>60</u> .	F.P.		11.2	78	765	ICL	43pm	+2
46	F.P.		11/3		. 51	LCP		
27	Nil	21.7	7,4	51:pm			60	
ōź	F.P.		21.3	122		Mount Charlotte 10p.	5pin	
98 58					106	NSS News 10p	122	+ 2
- 20	F.P.					Stakis 10p.	₽R:⊡	+ 12
470	F.P.	.11/1	11.2	617	523	'Woiseley Hughes	610	

Repunciation date usually test day for dealing free of stemp duty. Fr Frenc Frencs. b Figures based on prospectus estimate, d'Dividend ante paid of payable of part of capital: cover based on dividend on full capital. g Assemed dividend and yield. I hadicated dividend: cover relates to previous dividend, P/E ratio base on latest amount serniege. S Forecast dividend: cover based on previous year's armings. H Dividend and yield based on prospectus or caher official estimates to 1983. Q Grocas, T Figures assumed. Figures or report awaked. 3 Cover allow for conversion of shares and now reaking for dividend or renaking only for restricted dividends. Fincing price. p Peace unless otherwise indicated. I leased by tender. I Offered to holders of ordinary shares as a "rights." ** Laused by tender. I Offered to holders of ordinary shares as a "rights." ** Laused by tender. I Offered to holders of ordinary shares as a "rights." ** Laused by tender. I Offered to holders of ordinary shares to former preference holders manager or take-over. I Instead calculation. I leased to former preference holders in Allotment letters (or fully-peld). • Provisional or partly-peld dischment letters. ½ Unitered Securities Market. ‡ London Listing. ‡ Effective issue price after scrip. ‡ Formerly dealt in under special rule.

PENDING DIVIDENDS

Dates when some of the more important company dividend sates when some or the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year." Announcement

"Announcement las	t year."		
- ·	Announce-		•
Date .		- Date	Announce- ment last
	year	Date	ybar
AAHMar 8	Interim 2, 1	IMIMar 16	Final 2.5
Anglo Amer.		Lex ServiceMar 17	Final 4.2
GoldMar 11	Final 500c	"Lloyds Bank Feb 18	Finel 12.75
Armstrong		*London and	
EquipmentMar 24 Ault and	Interim 0.35	Liverpool InvFeb 16	Final due
WiborgMar 5	Final 0.75	LASMOMar 23 Lucas IndaMar 25	Final 6.0
BICCMar 24	Final 7.04	*MarchwielFeb 22	Interim 2.6 Final 4 2
BSRMar 24	Final 0.5	*MarleyFeb 23	Final 1.25
BTRMar 8	Final 4 5	*Midland	
Barclays BankMar 7	Final 11.5	BankMar 10	Final 16.0
Barratt DevsMar 14	Interim 3.5	Mills and	
Beth and PortlandFeb 17	Final 2.5	Allen IntlMar 19	Interim 6.0
BejamMar 18	Interm 1.35	*NetWestMar 15 *Notts ManufFeb 14	Final 15 575
Bell (A.)Mar 24	Interim 1.7	Ocean	Final 3.4
Bibby (J.) Mar 16	Final 6.1	TransportMar 25	Final 4.7
*Birmid	=	Peachey Prop Mar 23	Interim 2.25
QualcesiFeb 17	Final 1,4	PicsseyFeb 25	Interim 3.542
Blagden IndsMar 1	Sec. Int. 3.0	PrudentialMar 24	Final 8.0
*Brent ChemsMar 22 8PMar 15	Final 1.7 Final 14 0	Ransomes Sims	_
British VitaMar 8	Final 1.7	and JehriesMar 4	Final 8 0
Brooke BandMar 16	Interim 1.25	*RentokilMar 17 RockwareMar 24	Final 1.8
Cadbury	1.10011111 1.22	*Royal InsceMar 1	Final 3 0 Final 15 5
SchweppesMar 11	Finel 3.3	SedawickMar 18	Final 3.75
Carlton Inds Mar 15	Final 5 0	Shell	141101 0 73
Charterhouse		TransportMar 11	Final 11,9
PetMar 16 Collins (Wm)Mar 17	Final 0.5 Final 4.5	Sime DarbyFeb 18	Interim 4 sea,
*Commercial	FIII01 4.3	Slough EstsMar 24 Smith and	Final 2.075
UnionFeb 22	Final 6.95	NephewMar 23	Final 2.7
Consolidated		*Stand, Tel. and	rmai 2,7
PlantationsFeb 18	Interim 7 sen.	CableFeb 18	Final 9.0
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ConsMar 9 Eagle StarMar 24	Final 11.429	Tilling (T.)Mer 17	Final 4.5
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*FisonsMar 1	Final 6.0	Tricentrol Mar 25	Final 5.6
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Hepworth	1 11131 7.2	*VicketsFeb 28	Final 3 0 Final 7 45
CeramicMar 24	Final 3.0	Wills Faber Mar 24	Final 10.7
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*Hongkong and	C! !!!	HughesMar 16	
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*ICIFeb 24	Sec. int. 10.0	issue since made. † Ta	
тът ,гер 24	acc. INE. 10.0	issue sinco made. ¶ For	ecost,

BASE LENDING RATES

Allied Irish Bank 11 %	Hambros Bank 11 %
Amro Bank 11 %	
Henry Ansbacher 11 %	Hargrave Secs. Ltd 11 % Heritable & Gen. Trust 11 %
Arbuthnot Latham 11 %	Heritable & Gen. Trust 11 %
Armeo Trust Ltd 11 %	C. Hoare & Co
Associates Cap. Corp. 11 %	Hongkong & Shanghai 11 %
	Kingsnorth Trust Ltd. 12 %
Banco de Bilbao 11 % Bank Hapoalim BM 11 %	Knowsley & Co. Ltd 1119
BCCI 11 %	Lloyds Bank 11 %
Bank of Ireland 11 %	Mallinhall Limited 11 %
Bank Leumi (UK) pic 11 %	Edward Manson & Co. 12 %
Bank of Cyprus 11 %	Midland Bank 11 %
Bank Street Sec. Ltd. 101%	Morgan Grenfell 11 5
Banque Belge Ltd 11 %	National Westminster 11
Banque du Rhone 12 %	Norwich Gen. Tst 11 %
Barclays Bank 11 %	P. S. Refson & Co 11 %
Beneficial Trust Ltd 12 %	Royal Trust Co. Canada 11 %
Bremar Holdings Ltd. 12 %	Roxburghe Guarantee 1110
Brit. Bank of Mid. East 11 %	
■ Brown Shipley 11 %	
Canada Perm't Trust 111%	Trade Dev. Bank 11 %
Castle Court Trust Ltd, 111%	Trustee Savings Bank 11
Cayzer Ltd 11 %	
Cedar Holdings 11 %	
■ Charterhouse Japhet 11 %	United Bank of Kuwait 11 % Volkskas Intl. Ltd 11 %
Choulartons 114%	
Citibank Savings 9 %	Westpac Banking Corp. 11 % Whiteaway Laidlaw 111%
Clydesdale Bank 11 %	
C. E. Coates 12 %	Williams & Glyn's 11 %
Comm. Bk. of N. East 11 %	Wintrust Secs. Ltd 11 %
Consolidated Credits 11	Yorkshire Bank 11 %
Co-operative Bank*11 ";	Members of the Accepting Houses
The Cyprus Popular Bk 11 %	Committee. * 7-day deposits 8: 1-month
Duncan Lawrie 11 (%	8.25°. Short-term £8,000/12-
E. T. Trust 11 %	manths 10 G
Exeter Trust Ltd 12 %	† 7-day deposits on sums of under
First Nat. Fig. Corp. 1310.	£10,000 8 £10,000 up to £50 mm
First Nat. Sees. Ltd. 13 47.	8%' E50,000 and over 912".
Robert Fraser 12 %	# Call deposits (1,000 and over 8%)
Grindlays Bank	4 21-day deposits over £1,000 9%.
■ Guinness Mahon 11 %	4 Mortgage base rate

Suston Coldine... Additional string of the bourgeoning private hospital to get a USM listing. Although much money has been raised for the burgeoning private health sector in the last year only the London Private Health Group (which had already been constructed) and the Swindon Private Hospital, which raised £1.3m last October, have actually sought a quote. The Little Aston issue will be aimed largely at private investors but the managers and the risks they have aimed largely at private investors but the managers and the risks they have taken in buying the site as well to recribe with the help of the provisions of the Pusiness Start Up Jividuel HB Electronics to join USM this week

THE ELECTRONIC components distribution company, HB Electronic Compenents, formerly wholly owned by W. Canning of Birmingham, is coming to the Unlisted Securities Market, with dealings due to start on Thurs-day.

83 per cent of the total equity. Canning chief executive, Mr David Probert, said the main reason for the application for a USM quotation was to give HB Electronics "a separate identity as it is heading for markets with which Canning is not executive."

9 Comment tarnished with the image of a bombed-out West Midlands chemicals and metals company —and its latest results showed an inflation-adjusted loss. Clearly it was not the sort of group a glamorous electronic with the image of a bombed-out West Midlands chemicals and metals company to raise capital. But the main by Canning has more to do with the image of a bombed-out West Midlands chemicals and metals company —and its latest results showed an inflation-adjusted loss. Clearly it was not the sort of group a glamorous electronic with the image of a bombed-out West Midlands chemicals and metals company —and its latest results showed an inflation-adjusted loss. Clearly it was not the sort of group a glamorous electronic with the image of a bombed-out West Midlands chemicals and metals company —and its latest results showed an inflation-adjusted loss. Clearly it was not the sort of group a glamorous electronic with the image of a bombed-out West Midlands chemicals and metals company —and its latest results showed an inflation-adjusted loss.

day.
The company's share capital has been increased by 20.5 per cent through a placing of shares by stockbrokers Smith Keen and by stockbrokers Smith Keen and Cutler at a price of 38p per share. This is 13.9 times the 1982 pre-tax profits of £228,000 subject to a notional 52 per cent tax charge — and gives a historic dividend yield of 4.2 per cent.

At the placing price, the company's market capitalisation is \$1.52m W Capping a chemicals.

· Ste Berging fig.

VICE

A topology 50

£1.52m. W. Canning, a chemicals, metals and electronics company, continues to hold all its original rising from £1.4m to £3.1m. After shares in the company, which now, after dilution, amount to charge was only £50,000.

Electronics "a separate identity as it is heading for markets with which Canning is not associated." HB Electronics has a separate registered office in Bolton and only one Canning board member, Mr Probert, among its directors.

The prospectus issued on Friday identifies five of HB Electronics' ten market sectors as

HB Electronics pre-tax profits over the last three years shows growth from £115,000 through £126,000 to £228,000 on turnover rising from £1.4m to £3.1m. After

and even the purchase of its own office from the parent company amounts to little more tions, military, security, telecommunications and leisure.

HB Electronics pressure tipe and the parent company amounts to little more than adolescent tokenism. Any extra capital it needed to boost stocks (not much, it forecasts) could have hear time parent company amounts to little more than adolescent tokenism. Any

-and its latest results showed an inflation-adjusted loss. Clearly it was not the sort of group a glamorous electronics group a glamorous electronics ations. HB Electronics, as a distributor, has no investment to make in plant or equipment and even the purchase of the state of the independence extends only to customers, existing and potential, and not to the taxman.

extra capital it needed to boost stocks (not much, it forecasts) could have been raised through loans, with a positive gearing effect for a supposedly rapid-growth company. And HB circular to supposedly rapid-growth company. And HB for the record, HB has carved directors have stressed its creditworthiness with the bank. But W. Canning's survival skills have not prevented its being potential, and not to the taxman. After all, Canning has plenty of losses HB Electronics can use to offset its own tax liability—if the parent retains a 75 per cent plus holding in its offspring. For the record, HB has carved out for itself a comfortable market segment in non-standardised, passive, multi-source components.

CONSOLIDATED

(for the period April 1, 1982 K months enoughterch !! and Gupt 1,200 September 30, 1882)
in Millions of Yen
in Millions of Yen
1,186 1,185 Sales and other income **. *. *. *. **** 1282.387# * * * ***

Income taxes 30,565 Net income per share of common slock 7.49 (in yen)	1,000 1981 1981 1982 1982 Sept. Mar. Sept. Mar. Sept.				
Balance Sheet	(September 30, 1982) in Millions of Yen				
Assets	Liabilities				
Cash and time deposit	Bank loans				
Notes and accounts receivable, trade 550,959	Notes and accounts payable, trade 401,116				
Inventories	Other current liabilities 505.699				
Other current assets	Other liabilities				
Property, plant and equipment 401,948	Common slock				
Other assets	Surplus				
Total assets2254,905	Total kabilities				

TOSHIBA



OVERDRIVE

These securities have been sold outside the United States. This announcement appears as a matter of record only. U.S. \$50,000,000

Amoco Australia Limited

(Incorporated with limited liability in the Australian Capital Territory)

91/8% Bearer Notes due 1990

Unconditionally guaranteed by Amoco Holdings Pty Limited (incorporated with limited liability in the Australian Capital Territory) the obligations of which with respect to the Notes are unconditionally guaranteed, jointly and severally, by Amoco International Finance Corporation (a Delaware corporation) and

Standard Oil Company

(an Indiana corporation)

Issue Price 99 per cent

Morgan Grenfell & Co. Limited

Deutsche Bank Aktiengesellschaft

Merrill Lynch International & Co.

Morgan Stanley International

Orion Royal Bank Limited

Swiss Bank Corporation International Limited

S. G. Warburg & Co. Ltd.

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NEW YORK STOCK EXCHANGE CLOSING PRICES

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THE EUROMARKETS IN

LONDON 8 & 9 MARCH, 1983

The 1983 Euromarkets conference will cover the major immediate including debt re-scheduling and will look particularly at progress in this vital winter period.

Mr. Geoffrey Bell Dr. Irving S. Friedman M. John Forsyth

Speakers include: Dr. Michael Von Clemm Mr. Norman Robertson Mr. Thomas McGuire

Contact the

Financial Times Conference Organisation on Telephone 01-621 1355 or Telex London 27347 to obtain details

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而是这一句话:我也不可见的有意到在只有话,也不仅会看到这个人的过程和感觉。我们还只有我们只是我们也不是我们可以我们的一句话的话的话,也是我们的意思的人的话, Continued on Page 21

AMERICAN STOCK EXCHANGE CLOSING PRICES

Closing prices on February 11

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WORLD STOCK MARKETS

WORLD STOCK MARKETS					
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Peb. Feb.	Feb. Feb.	1982 3	1982.83 Stock Feb.	1982:3 Fab 11 Price High Law Fab 12 122 188,4 60 Athoid 132,5 143 219 AKZO 140 187,0 160,5 104 876,0 167,0 1	1982.3 Feb. 33 Price High Low H.K.3 27.4 19.5 Bank East Asia 27.4 5.05 0.65 Carrinn Reyest 0.87 23.30 6.2 Cheung Rong 8.5 17.80 10.5 Chung Rong 8.5 1.55 1.55 Hang Lung Dewel 1.60 5.05 1.55 Hang Lung Dewel 1.60 5.05 3.9 HK Electric 5.05 5.05 2.9 HK Electric 5.05 2.9 HK Land 8.6 2.1 2.0 7.2 HK Electric 8.1 5.15 34.25 25 HK Telephon Wps 1.5 18.50 8.2 Hitzchpon Wps 1.5 18.60 11.3 Jardine Math 14.5 5.15 2.2 New Warls Dev 3.4 2.7 2.02 Crient O seaz 2.3 2.5 2.5 0.9 0.5 7.5 SKN Props 6.4 5.9 2.0 3.75 SKN Props 6.4 5.9 2.0 1.7 Whrel'k Mark 6.3 3.20 1.7 Whrel'k Mark 6.3 3.25 0.79 World Int. Hidgs 1.44 1.40 3.5 2.5 0.79 World Int. Hidgs 1.44 1.40 3.5 2.5 0.79 World Int. Hidgs 1.45 3.5 0.79 World Int. Hidgs 1.46 1.70 6.6 2.80 0.70
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Every Friday the Financial Times publishes a detailed review of the activities in the UK and international property markets. Specialist FT writers look at the background to the week's headline making news, profile leading personalities and examine trends in the property development market. Similarly every Monday Financial Times journalists turn their attention to the building and engineering fields with particular emphasis on recently-awarded British and international contracts, general industry news and feature articles on major developments in these important economic sectors. ** Building Society Rates on offer to the public For further advertising denils please ring:	17 79. 174 6 Unimax 18 55, 28, 28, 43, 65, 38, 48, 44, 65, 28, 184, 184, 184, 184, 184, 184, 184, 18	### 5194 84 6 573 254 224 254 + 14	1982/3	1982:3 Feb. 21 Price High Low Pris, 675 580 Alusuiese 627 4,318 2,850 Sank Leu 4,078 2,150 315 Srown Boveri 1,020 1,806 1,165 Giba Geigy 1,780 1,445 910 do, (Part Cartis) 1,445 2,310 1,355 Credit Surses 1,925 2,750 2,190 Elektrowatt 2,750 3,725 2,890 Cenevolse 5,700 3,725 2,890 Cenevolse 7,700 6,900 4,700 Jacobs Suchard 5,625 1,570 1,160 Jelmoli 5,625 1,570 1,160 Jelmoli 1,570 1,300 640 Landis & Gy7 1,050 3,955 3,070 Nestle 7,950 1,485 850 Cer-Buehris 1,310 252 210 Pirolli 244 4,970 3,855 Sandoz 8r 4,872 750 497 Sandoz 8r 4,872 750 497 Sandoz 8r 750 380 238 Schihdler PtCts 345 770 610 Swissar 772 1,300 5,500 Swiss Bank 511 7,400 5,500 Swiss Reinsec 7,381 1,300 5,500 Swiss Volkabk 1,237 2,730 2,050 Winterthur 7,277 1,700 1,700 Feb. 1,700 Feb. 177 1,700	256 570 Yamaha 580 256 570 Yamaha 1,280 256 570 Yamaha 1,280 318 210 Yasuda Fire 244 631 388 Yokogawa Bdge 417 256 210 Yasuda Fire 244 631 388 Yokogawa Bdge 417 257 250 Anglo Am, Goal 22 29 5.00 AE & Cl 28 29 5.00 Anglo Am, Goal 43 30 740 Barolays Sunk 15.25 31.25 6.30 Anglo Am, Goal 43 31.25 6.30 Barlow Rand 12.5 32.5 4.95 GNA Invest 11.70 345 1.95 Currle Finance 3,45 10.0 3.97 Oe Beera 9,1 49.75 18.78 Dyrleforntein 42,75 25. 10.8 FE Geduld 63 3.7 18.5 Protes Midge 3,4 25. 13. 14.80 OK Bazzara 27,2 27.75 14.80 OK Bazzara 27,2 29 8.10 Rembrandt 12.78 20 8.10 Rembrandt 12.78 20 8.2 59 Rust Plat 5,1 4.8 2.0 Saga Midga 4,8 7.50 5.75 3A Grows 7,9 21 12.00 Smuth (C.Q.) 20.50 26 215 Sco Bilbac 211 26 225 Sco Santander 216 396 397 397 397 397 397 397 397 398 399 390 Centrals 391 397 390 390 Sco Santander 295 396 397 390 Sco Santander 295 397 390 Sco Santander 295 391 394 394 394 395 396 397 397 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397 398 397 397

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APPOINTMENTS

Inspector for Griffiths; New head of Radio Scotland

Mr Terence Mills, HM senior gramming manager) and Jean be succeeded as managing construction engineer, inspector of factories, health and safety executive, will join the newly-formed demolition arm of (formerly general manager, GRIFFITHS-MCGEE DEMOLI-Brikat Developments (Hold-MCGMPANN on March 1 March executive, will join the newly-formed demolition arm of GRIFFITHS-McGEE DEMOLI-TION COMPANY on March 1. He will be a director with special responsibilities for safety and

Mr Maurice Vogel, a director of Air Products, has been appointed chairman of the CON-FEDERATION OF BRITISH INDUSTRY'S ENERGY COMMITTEE. He succeeds Mr Stephen Gibbs. former chairman of the Constant of the C Gibbs, former chairman of Turner and Newall. Mr Vogel is also a board member of the Southern Electricity Board.

BRIKAT DEVELOPMENTS. parent company of HB Computers, Pegasus Software, Colton Print, Days Office Supplies, Brikat Finance and Micro Systems Distributors, has made three appointments at director level: Mr Phil Mackay, sales director, HB Computers (formerly sales manager): Mr (formerly sales manager); Mr Martus Pinny, technical director, Pegasus Software (formerly pro-

Under a two-year sales drive, DAWSON-KEITH, the Havant-hased manufacturer of dieseland direct a marketing campaign both at home and abroad. The company became a member of the publicly quoted Associated British Engineering group last

Mr John Sayle, general manager of the ISLE OF MAN BANK, has been appointed a director of the bank, which is a wholly-owned subsidiary of National Westminster Bank.

Mr Nicholas Siblev will return HOLDINGS on April 30. He will

ings. Mr Smith will be succeeded as head of corporate finance by Mr James Bruce who joine. Jardine Fleming in 1975.

appointed Mr R. A. Smith a

SCOTLAND is Mr Stan Taylor, at present editor, news and current affairs Scotland, with responsibility for the full range of news and current affairs output on radio and television. He succeeds Mr Christopher Irwin who was appointed general manager, DBS Development, in London from the beginning of the year.

The Institute of Chartered Accountants in England and Wales has appointed Mr Brian

Mr Nigel Lawson, Secretary of State for Energy, has appointed Mr David St C. Harcourt as a part-time member of the ardine Fleming in 1975.

DOHN GOVETT AND CO has properly Mr. R. A. Smith and CORPORATION for three years from February 16 to succeed the late Lord Netherthorpe. Mr Harcourt is chairman of the The new head of BBC RADIO. London Commodity Exchange.

> HHCC INTERNATIONAL in London has promoted Ms Alison Smith to media director less than a year after she joined as media manager. The department, built up by Ms Smith, is responsible for planning and buying all media. She joined HHCC from Albany Advertising International.

Accountants in England and Wales has appointed Mr Brian Waters its representative on the executive committee of the UNION EUROPEENNE DES EXPERTS COMPTABLES ECONOMIQUES ET FINAN-ECONOMIQUES ET FINAN-ECONOMICATE ET EN EXPERTANTE ET EN EXPERTANTE ET EN EXPERTIS ET EN EXPERTIS ET EN EXPERTANTE ET EN EXPERTANTE ET EN EXPERTANTE ET EL EXPERTIS ET EN EXPERTANTE ET EN EXPERTAN

International Trade Services is the holding company of the former London American Group and includes the export finance, project finance and other international trade-related activities of Midland Bank Group.

J. W. GALLOWAY has elected Mr Gavin Boyd as a director and chairman of the company and its subsidiary, Scotbeef. Existing directors remain in office with Mr lan J. Galloway acting as deputy chairman. Mr John Chad-wick has been appointed chief executive of the group.

Mr Len Maybanks has been appointed eastern regional director for NATIONAL CAR-RIERS CONTRACT SERVICES (part of the National Freight Consortium). He was National Carriers area director in London and keeps his base at Kings

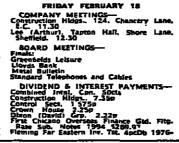
Mr Martyn C. Rose has been appointed a director of the ALLIED PLANT GROUP.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.



DIVIDEND & INTEREST PAYMENTS-



1986 2pc. Do. 4pcDb 1976-86 (1958 Issue) 2pc Liovdfrort Gilt Fund Pts. Pf. 31p Merrill Lynch 35cts. Miditione Electronics 1p Middle Pross. In 5 28e Regional Council Var. Rabe 1993 £5.8846 1993 £5.8846 1993 £5.8846 1994 FERRUARY 19 MIDITIONE INTEREST PAYMENTS— DIVIDEND & INTEREST PAYMENTS— Calerolliar Tractor 37.5cts. Goldberg (A.) 1.294p SUNDAY FERRUARY 20 DIVIDEND & INTEREST PAYMENTS— Excheoser 11 Lpc 1984 5-9cc M. & G. Recovery Fund Inc. 2p Security Pacific Con., 60cts.

Financial Times Conferences

VENTURE CAPITAL

Edinburgh, 21 & 22 April, 1983

This major 2-day conference will be co-sponsored by the Scottish Development Agency and Venture Economics Ltd. The conference will draw speakers and delegates from both the United States and Europe and will look at the application of the specialist investment disciplines of the Venture Capital business to the United Kingdom and Europe. There will be special sessions on Universities as a Seed Bed for Entrepreneurs and Enterprises and Local Venture Capital Initiatives. Venture Capital as a lever for Corporate Growth and Diversification will also be covered. The conference will be of value to financial institutions major corporations universities local development organications and professional financial institutions, major corporations, universities, local development organisations and professional advisers. Attractive room and travel rates are offered by the Caledonian Hotel in conjunction with this

THE OUTLOOK FOR WORLD GRAINS London, 22 & 23 March, 1983

In this conference, to be arranged with the International Wheat Council, Richard Lyng and Poul Dalsager will review grain policy in the United States and European Common Market. Other distinguished speakers will include Arthur Dunkel, Esmond Jarvis, Robbin Johnson and Thomas Please address all enquiries to:

The Financial Times Limited Conference Organisation Minster House, Arthur Street London EC4R 9AX

Tel: 01-621 1355 Telex: 27347 FTCONF G Cables: FINCONF LONDON

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date Current	Title International Men's and Boys' Wear Exhibition— IMBEX (021 705 6707) (until Feb 16)
Feb 14-17	Spring Floorcoverings Fair (02432) 5537
Feb 19-27	Birmingham Post/Evening Mail Boat and Caravan Show ((021) 236 3366)
Feb 20-22	Video Software Show (01-686 2599)
1'-b 22-24	British Yarns Show (Bradford (0274) 490087)
Fub 22-25	Information Technology and Office Automation Exhibition INFO '83 (01-647 1001)
Feb 28-March 4	3rd International Food and Drink Exhibition (01- 486 1951)
March 1-3	Mailing Efficiency Exhibition (01-405 6233)
March 68	International Exhibition for the Automotive Parts and Accessories Industry—AUTOPARTAC ((0494) 41548)
March 8-11	International Powder and Bulk Solids Technology Exhibition and Conference (01-688 5741)
March 8-19	Chelsea Antiques Fair (St Albans (0727) 5606)
March 8-April 4 .	Daily Mail Ideal Home Exhibition (01-222 9341)
March 21-25	
March 22-25	London Fashion Fair (01-831 7855)

Metropole Exhibition Halls, Brighton

NEC. Birmingham Heathrow Penta Hotel Holiday Inn, Leicester

Bloomsbury Crest Hotel, W1

Barbican, EC2 NEC. Birmingham Kensington Old Town Hall Earls Court

NEC. Birmingham

EXHIBITIONS Dubai Intl. Trade Centre

OVERSE	CAS TRADE FAIRS AND I
Feb 20-24	Middle East Health Care Exhibition (01-935 8200)
Feb 21-25	Environmental Pollution Control Techniques ENVITECH (01-730 4645)
Feb 21-25	Environmental Pollution Control Techniques Exhibition—ENVITEC (01-730 4645)
Feb 26-March 2	International Spring Fair (01-734 0543)
March 8-10	The Semicon/Europa '83 Electronics Show (01-353
March 8-10	9th International Electronics Show and Technical Symposia—SEMICON Europa '83 (01-353 8807)
March 9-12	International Hardware Fair (01-730 4645)
March 11-16	International Exhibition for the Hotel Catering Bakeries and Confectioners ((0202) 732648)
March 14-17	Computer Graphics Exhibition (01-749 3061)
March 23-27	Exhibition of Building Components and Inter- national Finishings and Sports Facilities (151 555.662)
March 24-27	International Trade Fair for Garage Equipment— AUTOVAK (01-228 2880)
BUSINES	S AND MANAGEMENT CO

Dusseldorf

Zurich Zurich Cologne Hamburg

Bologna Amsterdam

ONFERENCES

BUSINES	S AND MANAGEMENT CO
Feb 16-17	FT Conference: Foreign exchange risk 1983 (01-621 1355)
Feb 21-22	FT conference: Automated manufacturing-adopt
Feb 22	or decline? (01-621 1355) Institute of Directors: International conference (01-839 1233)
Feb 22	Macfarlane Conferences: Tax avoidance prevention
Feb 22-23	Oyez IBC: Cleaner technologies-making pollution
Feb 23	BIM: Profiting from UK sources of supply (Northants (05363) 4222)
Feb 23	CBI: Controlling absenteeism (01-379 7400)
Feb 23-24	Monadnock: Developing winning strategies for the marketing battle of the '80s (01-262 2732)
Feb 23-25	NAPF/BPF: Property in a democracy (01-681 2017)
Feb 23-27	Creative Review: Television and Radio Conference
	(01-439 4222)
Feb 25	Industrial Society: Maternity-every woman's
/////////////////////////////	right, every company's problem (01-839 4300)
March .1-2	Institute for International Research: The 1983
	futures markets conference (01-637 4383)
March 8-9	FT Conference: The euromarkets in 1983 (01-621 1355)
Warch 14, 16	Oyez IBC: Improve your management of hazard and operability studies (01-499 6321)
March 15	Macfarlane: U.S. sales and business operations. Current legal practice aspects (01-637 7438)
March 22	CBI: Pay bargaining in the next ten years (01-379 7400)
Warch 22-23	FT Conference: The outlook for world grains (01- 621 1355)
Warch 23	BSI/BRC conference on flat roofs: Warm and Dry (0412 48411)
'farch 23	Macfarlane: Offshore tax planning in the UK. What would reintroduction of exchange controls mean? (01-637 7438)

Grosvenor House, Park Lane, W1 Royal Lancaster Hotel, W2

116 Pall Mall, SW1 Royal Garden Hotel, W8 Sudbury Conf. Centre, EC1

Centre Point, WC1
Spectrum Business and con-ference point, Cheshire
Grand Hotel, Eastbourne

Monte Carlo Carlton House Terrace Royal Garden Hotel, WS Inter Continental Hotel, W1 Park Lane Hotel, W1 Royal Garden Hotel, WS Centre Point, WC1 Inter Continental Hotel, WI

Park Lane Hotel, W1

Inyone wishing to altend any of the above events is admised to telephone the organisers to ensure that there has been no change in the details published.

CONTRACTS AND TENDERS

PEOPLE'S REPUBLIC OF MOZAMBIQUE MAPUTO WATER SUPPLY EMERGENCY WORKS

INVITATION FOR SUBMISSION OF PREQUALIFICATION DETAILS FROM PROSPECTIVE CONSTRUCTORS AND SUPPLIERS

CONSTRUCTORS AND SUPPLIERS

The Government of the Poople's Republic of Mozambique is desirous of implementing an Emergency Water Supply Programme to provide additional water to the city of Maputo, the programme is partly financed by both the Government and African Development Bank.

It is envisaged that the works will be constructed under three main contracts to be as follows:

CONTRACT C1 CIVIL CONSTRUCTION:

1. Intaks and Pumping Station situated on the Umbeliuzi River to discharge 72,000 cu m/dey through a gipeline of some 0.5 km long to a treatment works currently under construction.

2. Clear water tank and forwarding pumping station at the treatment works to give the same discharge.

3. A pipeline of about 25 km length and varying between 1,000 and 800 mm in diameter from the forwarding station to distribution centres in the vicinity of Maputo.

3. A pipelins of about 25 km length and varying between 1,000 and 800 mm in diameter from the forewarding station to distribution centres in the vicinity of Maputo.

CONTRACT C2- PIPES AND FITTINGS

The detailed design, manufacture and delivery to storage in Maputo of pipes and fittings (or:

a) a pipeline of about 0.5 km long and approx 800 mm in diameter, working head 20 m,

b) a pipeline about 25 km long and of diameter varying between 1,000 and 800 mm, working head about 100 m.

CONTRACT C3 - PUMPING EQUIPMENT

The desilled design, manufacture, delivery to site and installation of electrically driven pumping station, installed capacity 72,000 cu m/day against a maximum head of about 20 metres requiring vertical spindle pumps of capacity about 285 l/s each.

The Contractor or his local eigent may be required to undertake a manufacture and/or operation contract for a period of up to two years from commissioning the plant.

Credit for the Project is available for expanditure on goods and services from all countries except the Republic of South Africa, in accordance with the terms of the loan a preference will be given to local lims when tenders are evaluated.

The Emoresa de Abestecimento de Agus de Meputo invitee prequalification

the torms of the loan a presence was on years to require the same available.

The Empress de Abestecimento de Agus de Maputo invites prequalification applications in English from Interested firms with a view to their inclusion on a select list for invitation to tender for these contracts. The submissions ecompanying the applications should include:

A note of the country of registration, and details of the constitution and history of the applicant firm.

Audited balance sheets and profit and loss accounts for the past three water. years. and in the case of Contract C1 * An indication of the skill and experience of employees available for

Same and the

* An indication of the skill and experience or employees evaluate the works.

• A list of Plant held and available for the works.

• A list of Plant held and available for the works.

• List of similar works recently completed, with value and name of client.

• List of work in hand with enqual value.

• In the case of Contract C2.

• Despite of the pipes and fittings to be offered, with authenticated flow characteristics.

• Country of manufacture of pipes and fittings.

• Country of manufacture of pipes and fittings.

• The standard to which pipes and fittings are designed and manufactured.

• The plaint system.

• Description of aimilar projects on which these pipes and fittings have been employed. Description of similar projects on white the programme from date Period for first delivery and anticipated delivery programme from date

of order, in the case of Contract C3

Datalis of the type of pump which could be suitable with performance characteristics and efficiencies.

Country of manufacture of the pumps, motors and control gear.

Description of similar projects on which pumps of this type have been appropried. employed. Period for first delivery and anticipated delivery period from data of order.
Name and address of the nearest company or agency which could provide supporting sorvices and details of the services currently

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3289 3296	3336 to 3343	3345 to 3356	3367 to 3381	3412
3440 to 3450	3454 to 3459	3466	3468 to 3470	3483 3488
3493 3494	3547	3552 to 3586	3557 to 3560	3576 to 3580
3587 to 3603	3638 3639	3667	3702 to 3706	3716 to 3756
3764 3770	3803 to 3822	3824 to 3836	3839 to 3841	3897 to 39 04
3915 to 3921	3924 to 3936	3939 to 3941	3967 3968	3973 to 3978
3982 to 3989	3993	3996 to 4008	4022 to 4031	4035 to 4037
4044 to 4046	4051 to 4056	4062 to 4069	4073 4074	4084
4091 to 4095	4112 to 4114	4121 4124	4127 4135	4140 4141
4150 to 4156	4184 to 4195	4230 to 4254	4258 to 4264	4280 to 4286
4291 to 4307	4326	4338 to 4342	4352 to 4356	4360 4361
4367 to 4390	4392 4393	4411 to 4424	4431 to 4435	4447 4448
4453 4459	4478 4482	4483 4487	4488	4494 to 4502
4505 to 4509	4512 4513	4529	4534 to 4538	4540
4546 to 4548	4562 4563	4571 to 4583	4594 4595	45 9 7 to 4602
4607 4684	4690 4691	4702 4716	4723 4724	4726 to 4729
4737	4745 to 4749	4751 to 4753	4755 to 4754	4769 to 4774
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5209 to 5212	5214 to 5218	5239	5270 to 5276	5279 5280
5296 5299	5300 5302	5321 to 5332	6358 to 5361	5363 to 5367
5373 to 5402	5406	5414 to 5424	5432 to 5442	5448 to 5450
5454 to 5456	5459 to 5463	5466 to 5468	5470 to 5473	5480 to 5482
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6218	6231 to 6248	6250	6259 to 6254	6295 6296
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nominal due March 15, 1983 has been parished by purchase of US\$40,000
nominal bonds and by the drawing for redemption of the undermentioned bonds
amounting to US\$598.000 on January 18, 1983 in Luxembourg in the presence
of an "Mussion." of an "Nikksler."

The bonds will be reimbursed at par on March 15, 1983 causen due March 15, 1984 and followings attached, according to the modalities of payment on the reverse of the bonds.

The humbers of such drawn bonds are as follows:
14012 to 14028 14778 to 14020 15006 to 15213 14049 to 14286

The following bonds previously called for redemption have not yet been presented for payments. Amount outstanding after March 15, 1983; US\$13-500.000

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MAKITA ELECTRIC WORKS, LTD.

NOTICE IS HEREBY GIVEN that pending
the payment of a cash dividend to shareholders of record data February 20, 1983
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for the period February 21 to the close
of the 70th General Shareholder; Meeting
expected to be held in mig-May and
during this period it will not be possible
to register the praises of shares assisted
to recister the praise of shares assisted
to relater the praise of shares assisted
the shares will be traded en-dividend on
the japaness Spot Exchanges with effect
from February 15, 1985.

Subject to approval of the dividend, a
further notice will be published stating
the amount and actual case of the procodure to be followed for obtaining payment threef as soon as practicable after
receipt of the dividend by the Depositary,
Coupon No. 4 will be used for collection of this dividend.

Peduary 14, 1983.

February 14, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (FEBRUARY CO., LTD.

NOTICE IS HREBY Co., LTD.

NOTICE IS HREBY GIVEN that pending the payment of a cash dividend to share holders of record date February 20, 1983 the sharsholders' register will be closed for the period February 21 March 20, 1983 and during this period it will not obtained the state of the shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Jashanes Stock Exchanges with effect from February 15, 1983.

Subject to supprival of the dividend, a further motice will be published staten to the state of such dividend together with the procedure to be tollowed for obtaining payment thereof' as soon as practicable after receipt of the dividend by the Depositary.

Coupon No 5 will be used for collection of this dividend.

CUIBANK, N.A., London.

February 14, 1985.

BRAZILIAN EQUITY HOLDINGS S.A. Registered Office: LUXEMBOURG, 15 Ruse Aldringen DIVIDEND ANNOUNCEMENT
The Board of Brazilian Equity Holdings S.A. have pleasure in confirming
that in accordance with Resolution
No. 4 of the Annual Report a dividend
of 10c per thare was approved. Payment will be made on 4th March,
1983 to registered holders on record
at close of business on 21st February,
1985 and to heaver holdings acainst
per the proving according to the proving t THE BOARD OF DIRECTORS.

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Parliamentary Diary

Commons: Until 7 pm, consideration of private members motions. After that, Opposed Private Business. Miscellaneous Financial Provisions Bill, Second Reading, Lords: British Nationality (Falkland Islands) Bill, Third Reading, Trees Marks Act 1983 (Amendment) Bill, Third Reading. Trees Marks Act 1983 (Amendment) Bill, Third Reading. Select Committees: Education, Science and Artz—Subject: Public Records, Witnesses: Lord Blake, Professor Margaret Gowing (Room 6, 4.30 pm). Foreign Affairs—Subject: Falkland Islands, Witnesses: Mr. Needham, Falkland Islands Company; Overseas Development Administration; Sir Bernard Brains MP (Room 8, 4.30 pm). Public Accounts—Subject: Control of Grants to Voluntery Colleges. Witness: Sir James Hamilton, Department of Education and Science (Room 16, 4.45 pm). Treesury and Civil Service—Subject: The Government's expanditure plans 1983-84 to 1965-25 (Room 15, 5.00 pm).

Motion on the Parliamentary Conativencies (Wales) Order. Motion on
European Community Document on
imported skins of certain seal pups.
Lords: Debate on a motion endorsing
the effectiveness of Nato's policy of
proserving peace in Europe and stressing the disastrous effects of unilateral
disarmament.

Select Committees: Home Affairs—
Subject: Representation of the People
Act 1949. Witnesses: Homes Affairs—
Subject: Representation of the People
Act 1949. Witnesses: Homes Affairs—
Subject: Energy Research,
Development and Demonstration in
the United Kingdom. Witnesses:
Friends of the Earth (Room 6, 4.15
pm). Social Services—Subject:
Children in Care. Witnessos: National
Foster Care Association; British Agencles for Adoption and Fostering (Room
21, 4.15 pm). Employment—Subject:
Code of Practice on Closed Shop
Agreements and Arrangements, and
other employment matters. Witness:
The Rt. Hon Norman Tebbit MP,
Employment Secretary (Room 15, 4.30
pm).

Commons: Motion relating to the statement of changes in the lamingration Rules. Motion on Education (Special Educational Needs) Regulations. Lords: Convy Tunnol (Supplementary Powers) Bill, Second Reading. Lords: Data Protection Bill, Committee. Details Bill. Third Reading. National Heritage Bill. Third Reading. Mental Heelth (Amendment) (Scotland) Bill. Third Reading. Pig Industry Levy Bill. Committee. Debate on a motion to take note of the Disabled Persons (Baddes for Motor Vehicles) Requirements. (Baddes for Motor Vehicles) Requirements. Select Committee: Joint Committee on Statutory Instruments (Room 4 4.15 pm).

WEDNESDAY

WEDNESDAY

Commons: Timetable motions on the Local Government (Choice of Telecommunications Bill and the Electronal Systems) Bill, Sucond Housing and Building Control Bill. Reading.



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THE WEEK IN THE COURTS

A difference of meaning and intent

capital gains tax.
First, anyone who wants to know what is meant by the tax liability of the citizen must derive the meaning from the words of the statute, it is asking for trouble to search through Hansard to determine what Parliament means, and then conclude that that is what the

words of the statute say. Second, where a UK settler of UK funds on trust for UK beneficiaries replaces UK trustees with foreign trustees, the funds must be chargeable to UK tax. A foreign trustee is

not liable to make tax returns and capital gains tax is not payable each year.

Third, when Parliament passed the Finance Act, 1965, apportioning capital gains among beneficiaries, no one had among beneficiaries, no one had envisaged the situation of a single fixed interest (say, after 80 years to the Red Cross), and in the meantime to benefit, at the discretion of trustees,

named beneficiaries.
Fourth. where Parliament decrees that the apportionment shall take place, an Inspector of Taxes has no option but to act accordingly.

Courts interpret statutes with the sole 2:m of ascertaining the intention of the legislature. What is to be interpreted is the meaning of what Parliament has said and not what Parlia-ment meant to say. The end result is that, not infrequently, the courts misinterpret Parlia-

ment's intention.

The reason for the occasional divergence is that English judges have resolutely set their faces against consulting the legislative process through the medium of Hansard.

There are, broadly speaking, two answers to the oft-repeated claim that courts should look at the debates in Parliament so as to avoid any misinterpreta-

First, the courts have always set great store in limiting the ambit of forensic scrutiny. By bounds.

Second. interpretation statutes cannot be wholly con-cerned with what the legisla-ture meant by the words used. Interpretation must have regard to what those affected might reasonably expect, The citizen's understanding of the meaning

of what Parliament has said is also relevant. At first blush the complaint along these lines, made recently in a letter to the editor about the House of Lords decision in Leedale r Lewis, had a point. Re correspondent was able to show that the decision was at variance with statements made by ministers during the passage of the Finance Act 1965, to the benefit of the Inland Revenue.

In 1968 Mrs Lewis, who was domiciled and resident in the UK, set up a trust primarily for the benefit of her grandchildren.

The trustee selected was a company registered in Bermuda. The trustee was given a power of appointment of capital and income to the specified class (which at all material times consisted of five grandchildren). In default of such appointment. or to the extent that it was not exercised, there was to be an ultimate trust at the end of the perpetuity period absolutely for the members of the class then By 1970 no appointment had

been made in favour of any of the five grandchildren-who were minors domiciled and resident in the UK. Each of the five grandchildren had a contingent interest if he or she survived interest if he or she survived the perpetuity day, which was to be determined by the usual formula of a "Royal lives" clause, and each of them might expect to benefit equally and embetantially by being paid inmake returns and was not liable to capital gains tax. capital when they reached 30. in 1968-69 and 1969-70 the

was whether the grandchildren had "interests" in the settled property in respect of which there could be an apportionment, even though no actual dis-tribution had been made by the

The Law Lords held un-animously that "interests" in settled property included not only interests which could be valued with exactness for the purpose of apportioning charge able gains, but also interests (such as those possessed by objects of a discretionary power) whose value could not be exactly ascertained.

The fact that the application might cause financial hardship to a particular beneficiary wis not a valid ground for giving section 42 a possible alternative construction, more favourable to the beneficiary.

The grandchildren rightly assessed to capital gains tax notwithstanding that they had not received, and might never receive, any benefits under the settlement. This flatly contradicted the assurance given to Farliament during the passage of the Bill that the section would not bite until a beneficiary had trusts.

The Revenue had also acted upon that assumption, but never-theless had argued to the contrary when the opportunity arose in litigation.

This may seem grossly unfair. to capital gains tax.
One of the known disadvant-

ages was that if the non-resident set great store in limiting the in 1300-05 and 1305-10 the axes was that it the non-resident ambit of forensic scrutiny. By Bermuda trustee made certain trustee did make capital gains, concentrating on the meaning capital gains on which tax was a section in the 1965 Act of what has been stated in the chargeable as if the trustee required that those gains "shall

FOUR sample lessons should be learnt from the decision of the House of Lords in Leedale v. Leenal, a leading case on capital gains tax.

First anyone who wants to hounds.

Statute, to the exclusion of what company had been resident in or apportioned, in such manner the UK. The inspector of taxes as is just and reasonable because of Lords in Leedale v. anyone who wants to hounds. and guardians of the grand what the Inspector of Taxes did children were assessed accordingly to capital gains tax.

The central issue in this case apportioned?

Supposed a could the gains be apportioned?

Suppose a settle: incautionsly relied on what he had read in Hansard, rather than what the courts might say about section 42, and put 11m in the hands of a Bermudan trustee, with a power at the trustee's discretion to hencelt the settler's grand-children, there being just one fixed interest by way of temainder after (say) 80 years, namely the Chanceller of the

It would be obvious nonsense for a huge gain in the first year of the trust to be wholly apportioned to the Chancellor. If the House of Lords misinterpreted the will of Parhament, it may be that Hallerment had not the these forms. that Parliament had not thought through the implications of what it had meant to say. What it

In the meant to say. What if the say, according to the Law Tords, provided a more intelligible answer.

If the Revenue were on this occasion the beneficiary of the law's vagaries, it is not always.

in 1948 the House of Lords frustrated the intention of Parliament (as expressed in the columns of Hansard) in a case where an employers' mutual assessed to income tax on a surplus from insurance transactions with its members

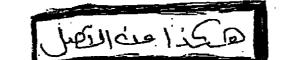
In effect the House of Lords said: "We disregard the assumption of Parliament as to the prevailing law Parliament has blundered in the language it has used in the statute. The legislation has utterly mis-fired."

The Revenue had to lump the consequences until Parliament statute.

[[1982] | W.L.R. 1319 ² Inland Revenue Commissioners v. Employers Mutual Insurance Association [1946] 1

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Financial Times Monday February 14 1985

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BY COLIN MILLHAM

Sterling benefited from the weakening of the dollar last week, but failed to consolidate gains taking it above the \$1.55 level on both Thursday and Friday morning. The pound's trade-weighted index held steady at around \$1. reflecting the downward drift against Continental currencies at the same

the pound.

For much of the week sterling

downward drift against Continental currencies at the same time as the better performance in terms of the dollar.

Oil remained a dominating factor, and although the comment from Saudi Arabian oil minister Sheikh Yamani that his coutry saw no way out of a price reduction for its oil came as no surprise, it lead to a bout of nervous selling. On the other

EMS EUROPEAN	CURRENC	Y UNIT	RATES
ECIL	Currency ?	change	% change

	central rates	amounts ageinst ECU February 11	central rate	adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.0995	· +0.29	÷1.66	±1.5501
Danish Krone	8.23400	8.09905	-1.64	-0.27	±1.6430
German D-Mark	2.33379	2,29021	-1.87	-0.50	<u>+1.0688</u>
French Franc	6.61387	6.49210	- 1.84	-0.47	± 1.3940
Dutch Guilder	2.57971	2.53094	-1.89	-0.52	<u>+</u> 1.5004
Iriah Punt	0.691011	0.689551	-0.21	+1.16	<u>+</u> 1.6691
Italian Lira	1350.27	1319.13	-2.31	~1.50	<u>+</u> 4.1369
Change weak c	s are for for for for for formal series of the series of t	ECU, therefore djustment calc	positive ch ulated by l	ange denotes Financial Time:	a 5.

CURRE	4CIES

	(•	, -
Feb. 11	£	\$:	Note Rates
Brazil Cruzetro Finland Markka Greek Drachma Hong Kong Dollar Iran Rial KuwatDinar(KD):	1.5920 1.5940 440,37 441.37 8.2620 8.2750 126,632 129.688 10.18½-10.20¾ 129.50 0.449.0,450	1,0295-1,0300 285,11-286,54 5,3490-5,3510 82,80-82,90 6,5050-6,6000 84,25* 0,29065-0,29085	Beigium	26.00-26.50 75.65-76.65 13.09-13.22 10.49-10.59 3.70-3.74 2110-2155 362-368 4.08½-4.12½
Luxembourg Fr Malaysia Dollar Malaysia Dollar New Zealand Dir. Saudi Arab. Riyal Singapore Dollar Sth.African Rand. U.A.E. Dirham *Selling rates.	5,4950-5,5050 2,1360-2,1425 5,3155-5,3210 3,1875-3,1975 1,7250-1,7265	1.3850 1.3850 3.4395 3.4410 2.0630 2.0660 1.1165 1.1175	Norway Portugal Spain Sweden Switzerland United States Yugoslavia	11.37-11.47 3.0854-3.1254 1.531 ₂ -1.551 ₄
-seming tates,				

THE POUND SPOT AND FORWARD

Feb 11	Day's spread	Close	One month	% p.a.	Three months	% p.a
Ū.S.	1.5420-1.5525	1.5445-1.5455	0,32-0,27c pm	2.29	0.73-0.68 pn	1 1.8
Cenade	1.8910-1.9000	1.8920-1.8930	0.32-0.22c pm		0.78-0.58 pn	
Nethind.	4.09-4.12	4.091,-4.101	24-14c pm		61-57 pm	5.9
Belgium	73.00-73.30	73.05-73.15	5-15c dis		45-55 dis	-2.7
Denmark	13.09-13.15	13.094-13.104	51-57 ore dis		23-24 ¹ , dis	-7.2
treland	1.1175-1.1210	1.1185-1.1195	0.40-0.53p dis	-4.99	1.31-1.51dis	-5.0
W. Ger.	3.70-3.73	3.704-3.714	17-13-of om	5.25	51, 41, pm	5.2
Portugal	140.00-143.00	140.50-142.50	600-1460c dis	-87.35	880-2440dls	-45.9
Spain	198.00-199.00	198.20-138.40	145-215c dis	-10.89	350-485 dis	-8.4
Italy	2135-2145	2137-2139	151-1813 lire dis	-9.54	60-64 dis	-11.6
Norway	10.85-10.92	10.871-10.881	15-25 ore dis		81-97 dis	-3.3
France	10.51-10.55	10.52-10.53	7-9c dis		30° - 33° dis	-12.1
Sweden	11.39-11.44	11.40-11.41	ore pm-1 dis	-0.46	1-1% dis	-0.5
Japan	360-365	3617-3627	1.45-1.25y pm		3.90-3.70 pm	1 4.2
Austrie	26.00-26.20	26.07-26.12	114-9% gro pm		334-287 pm	
Switz.	3.08-3.11	3.081-3.091	21 ₃ -17 ₅ e pm		61-57 ₀ pm	7.5
Dal		for consumptible	feeren Elennet	al fem.a	75 95 75 95	

Belgian rate is for convertions tranca, rimaness from 20.00-70.000 Six-month forward dollar 1.10-1.05c pm. 12-month 1.40-1.30c pm.

figures. Doubts about economic recovery were reinforced by the latest retail sales figures, showing growth of only 0.1 per cent in January.

The other major point of concern was the West German general election scheduled for March 6.

The D-mark improved steadily on opinion poll predictions that the conservative coalition will be the conservative coalition will be returned to power, but gained fround even more sharply on Thursday following a Press report that the Federal Constitutional Court was about a relection. This was denied, and no final decision from the court is due until February 16, but in the meantime the prospect of continued conservative rule without an election led to demand for the March 59 50 89.55 89 48 83.47
June 89 97 89.33 89.81
Sept 89.97 89.99 89.89 89.81
Dec 89.99 90.00 89.95 89.83
Volume 852 (1.149)
Pravious day's open int. 2,479 (2,469) the conservative coalition will be D-mark.

FINANCIAL FUTURES

U.S. TREASURY BONDS (CBT) 8% ST00.000 32nds of 100°.

CERT, DEPOSIT (IMM) Sim points of

THREE-MONTH EURODOLLAR (TMM) \$1m points of 100%

Feb. 11 johang

19.3

'Unch'd

March June Sept Dec Feb

STERLING (IMM) S per

LONDON

THREE-MONTH EURODOLLAR

20-YFAR 12'. NOTIONAL GILT 550,000 32nds of 100'.

Close High Low Prev March 1.5485 1.5490 1.5490 1.5400 June 1.5410 1.5410 1.5300 1.5350 Sept 1.5365 1.5365 1.5365 1.5305 Volume 237 (621) Previous day's open int. 899 (831)

Volume 72 (71) Previous day's open int, 208 (238)

SWISS FRANCS SwFr 125,000 per 3

Close High Low Prev
March 0.5027 0.5028 0.5010 0.4978
June 0.5088 0.5088 0.5088 0.5076
Sept 0.5164 0.5164 0.5164
Volume 171 (175)
Previous day's open int. 282 (287)

High Low Prev 0.4287 0.4258 0.4245 0.4310 0.4290 0.4275 0.4263 0.4263 0.4234 671

WEEKLY CHANGE IN WORLD INTEREST RATES

Unch'd FRANKFURT

PARIS

MILAN One mo

One month

JAPANESE YEN Y12.5m \$ per Y100

DEUTSCHE MARKS DM 125,000 S per DM

Class High Low Prev March 90.96 91.06 90.82 90.71 June 90.53 90.63 90.45 90.31 Dec 90.95 90.00 90.21 90.03 Dec 90.05 90.10 90.00 83.80 March 89.90 89.90 89.90 89.68 Volume 1.917 (837) Previous day's open int. 3.204 (3.218)

FORWARD	RATES	AGAII	NST ST	TERLIN	IG.
Franc	. 3.7125 . 10.5250 . 3.0925	1 month 1 5421 3.6963 10.6060 3.0713 360.6	3 month 1 5381 3.6638 10.8450 3.0313 358.1	6 month 1 5343 3 5214 11.0577 2 9828 354.5	12 month 1.5315 3.5453 11.3243 2.8916 348.2

BANK OF	ENGL	AND T	REASURY BI	LL TE	NDER
	Feb. 11	Feb. 4		Feb. 11	Feb. 4
Bills on offer		£100m	Top accepted rate of discount.	10.672	10.90993
applications Total allocated	£432m	£380,24 m £100m	Average		
Minimum	_		rate of discount Average yield	10,6042} 10,89}	10,8756% 11,21%
accepted bid	£97.84	£97.28	Amount on offer at next tender	£100m	£100m
minimum level	68	1%			

CU	RRE	NCY	MC	VE	MENTS	CU	RR	EN	CY	RATE	=
							-			_	

Feb. 11	Bank of Morgan England Guaranty Index Change %	Feb. 11		Special Drawing Rights	Europear Currency Un:t
Sterling U.S. dollar. Canadian dollar. Austrian schilling. Beiglan franc Danish kroner Deutsche mark. Swiss franc Guilder. Franch franc Lira Yen	80.9 : ~39.1 119.1 + 10.5 90.0 - 17.1 120.7 + 29.5 94.0 -2.1 84.2 -9.7 128.6 + 54.5 151.6 + 107.2 118.9 + 27.3 74.3 - 19.5 63.4 - 58.2 145.5 - 38.2	Sterling U.3. 5 Canadian® Austria Sch Belgian F Danish Kr D mark Guilder French F Lra Yen Norwgenr Spanish Pla	9.76 454 1112 10 5 412 912 18	0,706211 1,09447 18,4911 51,8868 9,30409 2,63242 2,90746 7,45662 1516,11 n.a. 7,71711	0.616156 0.952270 1.16624 16.0934 45.0995 8.09905 2.29021 2.53024 6.49210 1319.14 223.402
Washington agreem	ghted changes from ent Desember 1971. ndex (base average	Swagish Kr Swiss Fr Greek Dr'ch * C\$/SDR	412 201 ₂	8,06843 2,19025 r Feb 10:	1.90662 79.2764 1.34057.

THE DOLLAR SPOT AND FORWARD

———— Геь 11	Dey's spread			%		%
	Spread	Close	One month	p.a.	months	P,3.
UK†	1.5420-1.5525	1.5445-1.5455	0.32-0.27c pm	2,29	0.73-0.68 pr	n 1.82
relandt	1.3790-1.3835	1.3790-1.3805	0.90-0.80c pm	7.38	2.43-2.23 pr	n 6.74
Canada	1.2245-1.2260	1.2245-1.2255	0.04-0.07c dis		0.09-0.12dis	
Nethind.	2.6485-2.6565	2.6525-2.6545	0.84-0.79c pm	3.68	2.78-2.73 pm	
Selg:um	47.25-47.38	47.29-47.31	18-20c dis	-4.82	58-62 dis	-5.08
Denmark	8.4750-8.5300	8.4930-8.4980	4-Sore dis	-6.36	14-15 dis	-6.83
W. Ger.	2.3925-2.4055	2.4020-2.4030	0.62-0.57pf pm	2.97	2.04-1.99 pm	n 3.35
Portugal	91.00-93.00	91.00-93.00	350-850c dis	-78,47	550-1550dis	-45.78
Spyln	128.20-128.50	128.20-128.40	110-150c dis	-12.15	330-380dis	-11.06
taly	1382 ¹ ~ 1386 ¹ 4	13831-13841	13-14 ¹ 2 lire dis	-11.93	46-49 dis	-13.73
Norway	7.0430-7.0600	7.0475-7.0525	2.20-3.20ore dis	-4.60	8.30-9.30dis	-5.00
France	6.7975-6.8175	6.8100-5.8150	6-7c dis	-11,45	221 ₄ -241 ₄ dis	
Sweden	7,3770-7.3880	7.3780-7.3880	1.60-2.10ors dis	-3.01	4.20-4.70dis	-2.41
Japan	233.70-235.35	234.20-234.30	0.45-0.38y pm	2.12	1.45-1.35 pm	1 2.39
Austria	16.85-16.92	16.97-16.88	4½-3½gropm	2.75	14-11'y pm	3 02
Switz.	1.9940-2.0070	2.0020-2.0030	1.01-0.96c pm	5.90	3.09-3.04 pm	1 6.12
† UK	and Ireland a	re quoted in L	I.Ş. currency. F	orward	premiums a	nd
diece	unde anniv to	the U.S. dolla	r and not to th	a indivi	dual currenc	-,

Belgian rate is for convertible france. Financial franc 49.07-49.17.

FYCHANGE CROSS RATES

	Paradôli-i-a		· Saudaah			Service France	Dutate Guild	Mallan Lin	O	Salaton Francis
Feb. 10	PoundStrling	U.S. Dollar	Dence Cueta.	d Japanese Yen	crencut land	SMIRE LITTLE	Dates Galla	Ranan Lira	Canada Dolla	Beigian Frai
Pound Sterling	0,617	1,545	5.715	362.0	10,526	5.093	4,100	2138.	1,893	73.10
U.S. Dollar		1	2.403	284.3	6.812	2.002	2,654	1384.	1,225	47.31
Deutschemark	0,269	0,416	1.	97.51	2,888	0,888	1.104	575.9	0,510	19.69
Japanese Yen 1,000	2,762	4,268	10.26	1000.	29,07	8,543	11.33	5906.	5,228	201.9
French Franc 10	0.950	1,468	3.527	843.9	10.	2.938	3.895	2031.	1.798	69.45
Swiss Franc	0.328	0,500	1.200	117.1	8,408	1.	1,326	691.4	0,612	23.64
Dutch Guilder	0,244	0.877	0.905	68,29	2,567	0.754	1.	521,5	0,462	17,88
Italian Lira 1,000	0,468	0.728	1.736	169,3	4,923	1.446	1.918	1000.	0,885	84,19
Canadian Dollar Belgian Franc 100	0.528	0,816 2,114	1.962 6.079	191.3 495.3	5.561 14.40	1,634 4,231	2,166 5,609	1180. 2925.	2.582	38,63 100,

MONEY MARKETS

Caution over pound dampens rate hopes

chairmen it became clear that Mrs Thatcher would prefer a lower level of base rates, and ever since the market has been looking for an opportunity to satisfy the Prime Minister's wither a look of the satisfy the Prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's wither a look of the satisfy the prime Minister's with the satisfy the prime Minister's w

When sterling rose above \$1.55 When sterling rose above \$1.55 rumours began to circulate that the Bank of England was about to cut its money market dealing rate. The first indication that the authorities are looking for lower base rates is likely to be the reduction of official buying rates for long dated bills, but the notimists were not rewarded last optimists were not rewarded last week, and all intervention rates remained at 11 per cent.

The market was probably jumping the gun, because the pound still looks very vulner-able, even against the weak dollar, although all domestic factors continue to point to lower interest rates. Both the pro-visional money supply and

London's financial markets expectations were for a monthly spent most of last week watching sterling's value against the index. Apart from the forecast dollar. Around the middle of the week the markets became current account surplus the quite euphoric. After her recent in the UK economy in the next meeting with the clearing bank chairmen it became clear that monthly spent monthly this background the discount by the unwinding of last week's substantial repurchase agreements, the next short period is likely to result from payment of England at rates below 11 per cent, but were turned down.

The market was senerally this improving the properties of the market was senerally the conductant of the unwinding of last week's substantial repurchase agreements, the next short period is likely to result from payment of England at rates below 11 per cent, but were turned down.

The market was senerally by the unwinding of last week's substantial repurchase agreements, the next short period is likely to result from payment of england at rates below 11 per cent, but were turned down.

The market was senerally by the unwinding of last week's substantial repurchase agreements, the next short period is likely to result from payment of england at rates below 11 per cent, but were turned down.

LONDON MONEY RATES

Feb. 11 1983	Sterling Certificate of deposit	interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Comp. 19 Deposits	Discount Market Deposits	Treasury	Eligible Bank Bills &	Fine Trade Bills o
Overnight		5-1134 .		<u> </u>		10-113	104-114	: <u> </u>	i	
2 days notice .		- :	1118-1114	1 -	_		I —	! —	i — :	
7 days or		I I	_	ı – 1	_	1159-1134	-	i	. – 1	_
7 days notice	.'	114 114	1112-1114	. – 1	_	1112-115g	107a-111a	: _ :	_ }	_
One month	1130-114	11 6 11 6	114.114	1134-1144	114	1112	1034-11	11-11-	114	11#
Two months	11-11-	11 ia 11 ia !	1118-114	1150-114	114			102.10%	104-1078	1143
Three months.	11.0 10.4	114.114	11 11	1159-1114	11 ia		1010.105	105-104	103	11,
Six months	10-10-			11.10-	107g		70.8.10-4	**************************************	10.00	10%
Nine months	10.5.1018	104 10.		1114-107g	107a	: -	i –	! - ,	104-10,	IO'8
mine monus	1012 1018	10-4 10-4) –	. –	- :	_
One year	. 10/4-10/E	10 4 10 1	107g	111g-103g	10%	! —	1 –	- 1	- 1	_
Two years	_	:	11	. — 1	_		. –			

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period Jenuary 5 to February 1 1983 (inclusive) 11.327 per cent. Local authorities and finance houses seven days' notice others seven days fixed. Long-term local authority mortgage rates nominally three years 11½-11½ per cent; four years 11½-11½ per cent. 48enk bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10½-10½ per cent; four months trade bills 12½-10½ per cent. interest rates. Both the provisional money supply and Central Government Borrowing Approximate selling rate for one month Treasury bills 10th, per cent; two months 10th, 10th, per cent; two months 11th, per cent; two months 10th, 10th, per cent; two months 10th, 10th, per cent; two months 10th, per cent; two months 10th, 10th, 1

INTEREST RATES -

Feb. 11	Short term	7 days notice	. Month	Three Months	Six Months	One Year
Sterling	1150-1119	114-1112	116-116	11-1116	10H 10H	105, 107
U.S. Dollar		679 879	87g-91g	9-94	9 L4 19 12	956 978
Can. Dollar .		8.9	914 919	9 to 95a	8 F 8 B	1019 105
D, Guilder	446-5r8	414.516	44.44	i 416 418 ;	44.56	1 6 n 6 n
S. Franc	4.1	1-11	2,52%	24.24	319 312	: 318-316
Dautschm'rk	5 lg -5 ig	51g-55g	0.3.5	5,8-5,8	5 % 5 %	, 5 ₁₂ .5⊯
Frinch Franci	1212-1812	15 16	2012 22	22 v 24	21-2212	1812-191
<u> talian_Lira .</u>	1612 18	ون 20 ود 18	205g-2214	. 224 254 ;	22 225	21/8-225
Beig. Franc		•	!	•		,
Conv	114.124	124-134	. 181-141	: 131 ₂ .141 ₂	14-145	124.134
Fin	12 12 12	12 12	121e-123e		124-125	124 125
Yan	57g 61g	614 634	6 - 6 4	64.64	61e-65e	658-634
D. Krone	15.1412	. 14-1419	17-1712	183g 187g	18.1812	78-183
Asia 5 (Sing.)						
MANE & LOSSING!	п.а.	n.a.	· n.a.	n.a. ·	n.a.	. n1.7₽

(11,

The second se

.00 a.m. FEBRUARY 11)							
3 months	U.S. dollars	6 menths U.S. dellars					
bld 9 1,18	offer 9 5, 16	bid 9 5:18	offer 9 7/18				

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference benks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationals de Paris and Morgan Guaranty Trust.

MONEY RATES NEW YORK GERMANY FRANCE Intervention rate 12.5 JAPAN SWITZERLAND Discount rate Overnight rate One month Three months

NETHERLANDS Discount rate
\$ CERTIFICATES OF DEPOSIT One month
Three months 8.65-8.75 Six months 8.85-8.95 One year 9.20-9.40
LONG TERM EURO \$

Three years	114-11
Five years	117-121
SDR LINKED DEPOSIT	rs
One month	9.94
Six months	S1,-97
FCIJ I INKED DEPOS	

Financial Times Monday February 14 1983

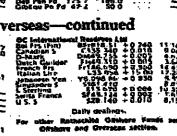
Authorised Units continued Equity & Law Un Tst. Mingrs. (a) (b) (c) Amerishem Ad. High Wiscombe. 0494 3557. Do Action? 20.06 21 007 11.20 Do Action. 20.0

Insurances—continued

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Offshore and Overseas-continued

Schroder Mingt Services (Jersey) Ltd PO Bax 195. St Heller. Jersey. 6534 27551 PO BOX 195. St resur. Jersey. 433-4-4
Schroder Money Pendy Lid.
Stering Li3.3449 + 0.0243
U.S Dollar Li523.1478 + 0.0413
Destachmark DM50 1105 + 0.0415
Sells Princ S750 324 + 0.0056
Rottachild Assat Management (C.I.)



FINANCIAL TIMES

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TENDERS MUST BE LODGED AT THE BANK OF ENGLAND. NEW ISSUES (A). WATLING STREET, LONDON, EC4M 9AA NOT LATER THAN 10-80 A.M. ON THURSDAY, 17TH FEBRUARY 1983, OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON WEDNESDAY, 16TH FEBRUARY 1983.

ISSUE OF £750,000,000

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 band 3 bills to 63 days. Rates quoted represent Bank of England selling rates with the money market. In other centres rates are general rates in the domestic money market and their respective changes of week. ** Band 4 11.

$10\frac{1}{2}$ per cent EXCHEQUER STOCK, 1987

MINIMUM TENDER PRICE £98.50 PER CENT

PAYABLE AS FOLLOWS:

Deposit with tender £30.00 per cent

SRUSSELS

One month Three month

AMSTERDAM

On Monday, 28th March, 1983 INTEREST PAYABLE HALF-YEARLY ON

6TH APRIL AND 6TH OCTOBER

This Stock is an investment talling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tenders for £700,000,000 of the above Stock; the balance of £50,000,000 has been reserved for the Nationa Debt Commissioners for public funds under their management. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Bellast, and will be transferabe, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963, Transfers will be free of stamp duty. The Stock will be repaid at par on 6th April, 1987.

Interest will be payable half-yearly on 6th April and 6th October. Income tax will be deducted from payments of more than 65 per annum. Interest warrants will be transmitted by post. The first interest payment will be made on 6th October 1983 at the rate of 65.8550 per 6100 of the Stock. Tenders must be lodged at the Bank of England. New Issues (A) Watling Street. London, EC4M 9AA not later than 10:00 A.M. ON THURSDAY, 17TH FEBRUARY 1983, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England not later than 3.30 P.M. ON WEDNESDAY, 16TH FEBRUARY, 1983. Tenders will not be revocable between 10.00 a.m. on Thursday, 17th February 1983 and 10.00 a.m. on Tuesday, 22nd February 1983.

Each tender must be for one amount and at one price. The minimum price, below which tenders will not be accepted, is 198 50 per cent. Tenders must be made at the minimum price or at higher prices which are multiples of 5p. Tenders lodged without a price being stated will be deemed to have been made at the minimum price.

A separate chaque representing a deposit at the rate of £30.00 for every £100 of the nominal amount of Stock tendered for must accompany each tender; chaques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isla of Man.

Tenders must be for a minimum of £100 Stock and for multiples of Stock as follows:--

Amount of Stock tendered for £1,000-£3,000 £3,000-£10,000

Her Mejesty's Treasury reserve the right to reject any tender or part of any tender and may therefore allot to tenderers less than the full amount of the Stock. Tenders will be ranked in descending order of price and allotments will be made to tenderers whose tenders are at or above the lowest price at which Her Mejesty's Treasury decide that any tender should be accepted (the allotment price), which will be not less than the minimum tender price. All allotments will be made at the allotment price; tenders which are accepted and which are made at prices above the allotment price will be allotted in full; tenders made at the allotment price may be allotted in full or part pally. Any balance of Stock not allotted to tenderers will be allotted at the allotment price to the Governor and Company of the Bank of Engand, issue Department. price to the Governor and Company of the Bank of Engand, issue Department. Letters of allotment in respect of Stock ellotted, being the only form in which the Stock may be transferred prior to requistration, will be despetched by post at the risk of the tenderer, but the despetch of any letter of allotment, and any refund of the balance of the amount paid as deposit, may at the discretion of the Bank of England be withheld until the tenderor's chaque has been paid. In the event of such withholding, the tenderer will be notified by letter by the Bank of England of the acceptance of his tender and of the amount of Stock allocated to him, subject in each case to payment of his choque, but such notification will confer no right on the tenderer to transfer the Stock of the property of the stock of the sto

so ellocated.

No ellotment will be made for a less amount than £100 Stock. In the event of oursial informent, the balance of the amount pold as deposit will, whom setunded, be remitted by cheque despatched by post at the risk of the tenderer: in allotment is made the amount paid as deposit will be returned likewise. Payment in full may be made at any time after ellotment but no discount will be allowed on such payment, interest may be charged on a day-to-day boals on any overdue amount which may be accepted at a rate equal to the Landau Inter-Bank Offered Rate for seven day deposits in starting ("LIBOR") plup 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source or sources as the Bank of England shall consider appropriate. Delayalt in due payment of any amount in respect of the Stock will render the ellotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

London, EC4M SAA, or by any of the Branches of the Bank of England any date not later than 24th March, 1983. Such requests must be signed must be accompanied by the letters of allotment.

until the close of business on 5th September, 1983, Stock Issued in accordance with this prospectrus will be known as 10½ per cent Exchaquer Stock, 1987 "A". The interest due on 6th October, 1983 will be paid separately on holdings of the existing 10½ per cent Exchaquer Stock, 1887 and on holdings of "A". Sinck as at the close of business on 5th September, 1983; consequently, interest mandates, authorities for income tax exemption and other notifications recorded in respect of holdings of existing Stock will not be applied to the payment of interest due on 6th October, 1983 on holdings of "A" Stock.

The last date for lodgment at the Benk of England of transfers for registration as "A" Stock will be 1st September, 1983. Alter this date, for purposes of certification, the "A" Stock will not be distinguished from the eviating 10½ per cent Exchaquer Stock, 1987. From the opening of business on 6th September, 1983, the "A" Stock will be amalgameted with the existing Stock.

Tender forms and copies of this prospectus may be obtained at the Bank of England, New Issues. Watting Street, London, ECAM 9AA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 truncent Place, Glasgow G1 25B: at the Bank of Instend, Mawne Buildings, 1st Floor, 20 Callender Street, Berlest, 8T1 5BN: at Mullems & Co., 15 Mooreate, London, EC2R 6AN; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND LONDON

11th February, 1983

THIS FORM MAY BE USED

TENDER FORM This form must be lodged at the Bank of England, New Issues (A). Wading Street. London. ECRM 9AA not later than 10.00 A.M. ON THURSDAY, 17TH FEBRUARY 1983, or at any of the Brenches of the Bank of England or at the Glasgow Agency of the Bank of England not later than 3.30 P.M. ON WEDNESDAY, 16TH FEBRUARY 1983.

ISSUE OF £750,000,000

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND I/We tender in accordance with the terms of the prospectus dated 11th Amount of above-mention and in a multiple as follows:-

Amount of Stock Amount of STOCK tendered for £100—£1,000 £1,000—£3,000 £3,000—£10,000 £10,000—£50,000 £50,000 or greater 1. NOMINAL AMOUNT OF STOCK AMOUNT OF DEPOSITIAL 3. TENDER PRICE (6) The price tendered per £700 Stock, sing a multiple of 25p and not less than e minimum tender price of £98.50;—

I/We horsby engage to pay the belience of the purchase money when it comes due on any silletment that may be made in respect of this tender, as evided by the said prospectus. I/We request that any letter of alletment in respect of Stock elletted to me/us be sent by post at my/our risk to me/us at the address shown below.

February 1983 of, or on behalf of, tenderer PLEASE USE BLOCK LETTERS MR/MRS FORENAME(S) IN FULL SURNAME

FULL POSTAL POST-YOWN COUNTY POSTCODE [FT]

A separate chaque must accompany cach tender. Chaques should be made payable to "Bank of England" and creased "Exchequer Stock". Chaques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isla of Man. b The price tendered must be a multiple of 25p and not less than the minimum tender price if no price is stated, this tender will be drested to have been made at the minimum tender price. Each tender must be for one amount and at one price.

